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# NATIONAL MUNICIPAL REVIEW

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NATIONAL MUNICIPAL LEAGUE

# THE LEAGUE'S BUSINESS

**The League's Conference.**—An outline of the tentative program of the League's forty-third annual conference on government at Rochester will be found on the page opposite. The roster of speakers is not yet completed, but among those who have accepted the League's invitation to address the convention are the following: Dr. Harold W. Dodds, president of Princeton University and of the League; C. A. Dykstra, former city manager of Cincinnati and now president of the University of Wisconsin; Samuel Seabury, former counsel of the Joint Legislative Committee to Investigate the Administration of the Various Departments of the City of New York, whose investigations resulted in the resignation of Mayor Walker and other city officials; Henry M. Waite, former city manager of Dayton, at present with the Works Experiment Project of the National Youth Administration; John H. Humphreys, secretary of the British Proportional Representation Society; Clarence E. Ridley, director of the International City Managers Association; Frank C. Moore, secretary of the New York Association of Towns and a member of the New York State Commission for the Revision of the Tax Laws; H. E. Goddard, city manager of Niagara Falls, Ontario; Leyton E. Carter, director of the Cleveland Foundation; Horace L. Brittain, managing director of the Toronto Bureau of Municipal Research; H. M. Buttenheim, editor of *The American City;* and Pierre Boucher, secretary of the Montreal Metropolitan Commission.

* * *

**Baldwin Prize Essay Contest.**—The subjects for the 1938 Baldwin prize essay contest, which closes May 15, 1938, have been announced as follows: Population Trends and Changing Land Values as They Affect Planning in (any given city, county or region); Problems and Consequences Resulting from Federal Aid to Normal City Functions During the Depression; Problem of Developing and Sustaining Effective Citizen Reform Organization in (any given city or county); Automobile Trailers—The Problems They Bring to the City; Effect of Tax Limitation Laws upon Local Government in (any given state, city or county); Reorganization of County Government in (any given state); Optional vs. Mandatory Legislation as a Means of Improving Local Government; Problem of Overlapping Governments in (any given state or metropolitan area); Operation of the City Manager Plan in Small Cities; Operation of the Manager Plan in (any given city or county); Operation of Centralized Purchasing in (any given city, county or state government); Appointment of City Managers for a Definite Term. (Most managers serve at the pleasure of the city council—would a definite term be more desirable?); Effect of the Depression on Local Government in (a particular area); Nonpartisan Elections in American Local Government; Precedents for Single-House Legislatures (as recently adopted in Nebraska); Present Status of the Town Meeting as an American Institution; Record of the City Manager Plan During the Depression; Effect of the Short Ballot Movement Upon the Operation of Democracy in America; Problem of Unemployment Relief in (any given state, city or county).

The League will be glad to send further information regarding the contest to those interested.

* * *

**Planning Exhibit Opens.**—The National City Planning Exhibit, in which the League is participating, was opened to the public on October 4th, at the Hall of Education of the American Museum of Natural History, under the auspices of the Young Men's Board of Trade of New York. The exhibit was organized with the collaboration of the American City Planning Institute, American Society of Planning Officials, American Civic and Planning Association, and the National Municipal League. Technical preparation was under the direction of the Municipal Art Society of New York.

A special feature of the exhibit is a tremendous cartographic presentation of New York City—the greatest model of its kind ever constructed.

Representatives of many interested groups attended the opening, which culminated a year of work on the part of the national and local committees.

HOWARD P. JONES, *Secretary*

## LETTER TO THE EDITOR

To the Editor of the NATIONAL MUNICIPAL REVIEW:

The REVIEW for September 1937 has an article by Mr. C. Stewart Peterson on "Balancing State, County, and City Budgets," which I have found most interesting.

It may be that Mr. Peterson has studied the situation in this state, although his article does not seem to mention Alabama. The Fletcher budget act was passed in 1932 and went into effect the following year. It not only provides for a balanced budget but operates in fact so that expenditures are adjusted to revenues. One result is the absence of any floating debt by the state. The state school system is also very closely controlled financially.

W. BARRETT BROWN, *Fiscal Consultant,*
Office of State Treasurer of Alabama

# Forty-third Annual Conference on Government

## Hotel Seneca, Rochester, New York

November 17-20, 1937

National Municipal League, National Association of Civic Secretaries, and Proportional Representation League participating.

## TENTATIVE PROGRAM

(Since the list of presiding officers, speakers, and leaders of group sessions is not yet complete, names are omitted from the program below. Numerous acceptances from leaders in the field of government have already been received and the list will be published in a revised program to be mailed shortly to members and others interested.)

*Wednesday, November 17th*

9:30 A.M. Committee Meetings
1. Committee on Revision of Model City Charter
2. Committee on Model State Personnel Law
3. Committee on Stabilization of Municipal Finance
4. New York State Committee of National Municipal League

12:30 P.M. Luncheon—Subject: The Constitutional Convention of 1938 (Sponsored by New York State Committee of National Municipal League)

2:30 P.M. Committee Meetings continued

6:00 P.M. Dinner (Sponsored by National Association of Civic Secretaries)
Subjects:
The Merit System in Civil Service
City Planning—Opportunities for Civic Secretaries
Teamwork Among Local Civic Organizations
The Financing of Civic Organizations
Reports from Recent City Elections

6:30 P.M. Dinner—Council of National Municipal League

8:00 P.M. Annual Business Meeting of National Municipal League

*Thursday, November 18th*

10:00 A.M. General Session—Subject: Progress in Public Management

12:30 P.M. Luncheon—Subject: Local Self-Government: The Issue of the Hour

3:00 P.M. Group Sessions:
1. Reorganization of County Government
2. New York Constitutional Convention
(Sponsored by the New York State Committee of the National Municipal League)
3. Problems of Municipal Finance
4. Problems of Manager Cities
5. Planning, Zoning, and Housing
6. Efficient Organization of Education

7:30 P.M. Annual Banquet

*Friday, November 19th*

10:00 A.M. Group Sessions:

1. Planning, Zoning, and Housing (continued)
2. Problems of Metropolitan Areas
3. Tax Limitation
4. The Voter and the Constitution
   (Sponsored by the Special Committee on the New York State Constitutional Convention of the National Municipal League)
5. Citizen Organization to Support Good Government
6. Problems of Law Enforcement

12:30 P.M. Luncheon

3:00 P.M. General Session—Subject: Status of Relief Problems

*Saturday, November 20th*

10:00 A.M. General Session—Subject: The Problem of Representation in Government
(Sponsored by Proportional Representation League)
National Association of Civic Secretaries, continuation of discussion of subjects listed for November 17th

12:30 P.M. Luncheon—Subject: Proportional Representation
(Sponsored by Proportional Representation League, National Association of Civic Secretaries, and City Club of Rochester)

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# Congratulations Toledo!

Toledo has done it again. For the third time in three years Toledo citizens have gone to the polls and chalked up a victory for good government. In November 1934 they voted to adopt the manager plan together with a small council elected by proportional representation—the Cincinnati plan. A year later, before the charter had actually gone into effect, they defeated an attempt to discard it and return to their old mayor-council form of government. And now, at a special election held September 21st, by a vote of 37,035 to 19,211, Toledo citizens defeated an attempt to destroy the effectiveness of their good government by the substitution of a council of twenty-one, elected by wards, for the present efficient nine-man council elected by P. R. The continuance of good government under the capable leadership of City Manager John Edy is assured.

Toledo's experience, like that of Cincinnati, is a strong argument for citizen organization. Without citizen organization the city in all probability would not have adopted the manager plan to begin with. And without such organization, it could not have defended what it had already secured. Congratulations to the Toledo City Manager League and to its secretary, Allen H. Seed, Jr.—until recently civic secretary of the City Club of New York—who organized and directed the campaign. Congratulations also to the young people who built up a city-wide ward and precinct organization and conducted a house-to-house canvass of the voters, and to the many other workers who helped to make the victory possible.

Editorial Comment

October, 1937

NATIONAL MUNICIPAL REVIEW

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# New York Tackles Constitutional Revision

NEW YORK STATE will hold a constitutional convention next April. Every twenty years, according to a provision of the New York constitution designed to keep the document abreast of the times, the question must be asked the voters, "Shall there be a convention to revise the constitution and amend the same?" The voters answered in the affirmative last year, delegates are being elected this fall, and the convention will meet in the spring.

The present constitution of the Empire State was adopted in 1895 but it is far from that same document now. Although the amendment provisions are not especially lenient—a proposed amendment must be approved by two sessions of the legislature having different senates before submission to referendum—sixty-five amendments have been made in the last forty years. The constitution presented to the voters by the last convention twenty years ago was rejected but practically every recommendation made by that convention has since been hammered into the constitution by approval of these amendments, one by one.

And thereby hangs a moral, or at least a practical hint for the coming constitutional convention. A majority may readily be composed of a lot of minorities. There are so many groups in the population who have what might be termed a vested interest in various provisions of the constitution that a complete new constitution, which considerably alters existing provisions, is almost certain to be rejected. Each group votes against it because its toes are stepped on somewhere along the line. The old fable of the bundle of sticks applies here in reverse. Break up the combination of minorities, present each issue to the voters separately so it may be considered on its merits, and the particular little minority may find itself lost in the crowd.

On the whole, New York State's constitution is in fair shape, far ahead of the constitutions of most of the forty-eight states. It is questionable how much by way of improvement, particularly in the field of local government, may be obtained from the convention. Thus, both city and county home rule have been welded into the constitution by amendment, the first in 1923 and the second in 1935. True, there are desirable refinements which could be made but none of them assumes the proportions of a major issue. There is likely to be as much of a fight over keeping good provisions in as there is over the insertion of new matter.

One thing, however, the convention should do, not only for New York State, but for the nation. It should serve to focus attention clearly and sharply on

the major issues of a period of transition. It may be assumed that the calibre of personnel at the New York convention will be about as good as can be produced in the state by the political party system. The tradition of the last convention, with Elihu Root in the chair, can hardly be disregarded. The pros and cons of the major issues of our time should have a healthy airing, with able advocates on both sides.

Discussion in press and forums is already beginning. The governor has appointed a special committee to prepare helpful data and background materials for presentation to the convention. The state committee of the National Municipal League has appointed a special committee on the state constitutional convention, for the purpose of educating the public on major issues. This committee, incidentally, is already off to a good start. S. Howard Evans of the Payne Fund is chairman and some forty college and university presidents in the state as well as the heads of most of the statewide civic organizations are serving as members of the committee.

What are these major issues? Developments between now and next spring will determine them in part but they are already beginning to emerge out of the smoke of past legislative combats and the fire of current critics. Among them can certainly be listed:

1. Reorganization of the judicial system in order to provide for more efficient organization of the administration of justice, and, if possible, reduce the cost of litigation. One suggested method, especially on the criminal side, is the organization of a department of justice headed by the attorney-general. Some of the recommendations of the judicial council are also pertinent.

2. Reorganization of the state administrative departments. In addition to the suggested department of justice, the creation of a department of business and commerce has been suggested. Other topics are the powers of the comptroller over state finances apart from his functions as the auditing officer, and the creation of some means of supervising the incurrence of municipal indebtedness.

3. City and county home rule. Reorganization of the system of local government along the basic lines of proper land utilization is being urged. Revision of the home rule amendment in order to provide some better check on the emergency clause and to give municipalities relief from so-called mandatory expenditures is clearly desirable.

4. Proportional representation. A topic well worthy of consideration in view of the results of the plurality system of election throughout the state and the manner in which reapportionment has been handled, is the extension of proportional representation for the election of all representative bodies in the state.

5. Budget methods and procedure. As indicated in the governor's executive budget message in January 1937, our present budget procedure, although essentially sound, may well be improved in detail. The question of requiring a capital outlay budget by constitutional provision also warrants study.

6. State aid. The question of the extent, method, and purposes of state aid to municipalities warrants careful and discriminating study.

7. Taxation. The general subject is so vitally important that it is certain to be carefully considered with particular reference to the proposals for real estate tax limitation.

8. Labor relations. With the whole subject of relations between employer and employee in a state of flux there will unquestionably be many proposals in the convention coming under this general heading. One from employers is to subject labor unions to the same sort of publicity and accountability imposed upon business corporations with regard to political activity and the use of their funds.

9. Social welfare. The further expansion of governmental activity in this field is certain to receive consideration at the convention.

If the New York State constitutional convention serves merely as an educational medium to clarify public thinking on these vital questions, it will have been worthwhile.

# Current Trends in Municipal Finance

**Re-establishment of a normal basis of operations and elimination of short-comings of fiscal policy and administration necessary for sound future of local government.**

FREDERICK L. BIRD

*Director of Municipal Research, Dun & Bradstreet, Inc.*

ONE must be a confirmed pessimist not to agree that the greatest business depression in American history is over. The *New York Times* business index for the week ending August 14, 1937, stood at 110.9, the highest since the week ending September 14, 1929. In the realm of municipal finance, moreover, revenue collections are almost back to normal, and it is the exceptional rather than the average municipal budget which is not in balance in the current fiscal year.

But the ending of a major business depression, like the close of a great war, does not automatically restore normal conditions or re-establish a peace-time basis. And some of the problems of restoration are likely to be fully as baffling as those of the crisis itself.

In no place in our social structure is this more apparent at the present time than in the field of local government. The great majority of our cities have weathered the depression so successfully as to discredit the forebodings of the prophets of disaster. But many have been forced to resort to emergency makeshifts, many have merely postponed a settlement of their depression liabilities, many are still functioning on what might be termed a war-time basis, and most have had to rely on outside aid to an extensive degree.

Most municipal budgets may be in balance again, whether by good management, or fortuitously, or by some roundabout expedient; but municipal finance has been over the bumps in no uncertain way. And some of this depression financial experience has been both unpleasant and disconcerting, to say the least—not merely because of the immediate hardship and confusion involved, but because of its disclosure of weaknesses in fiscal policy and administration which far antedate the onset of the depression, and which were responsible in measurable degree for the excessive financial vulnerability to depression conditions of many municipal corporations.

If local self-government is to have a safe and sound future, therefore, there are two major steps in the field of finance which demand the promptest kind of consideration and action. One is the re-establishment of a normal basis of operations. The other is the elimination of at least the most glaring of the shortcomings of fiscal policy and administration revealed by the test of recent difficult years.

By a return to a normal basis of financial operations I mean a return to the sound policy of paying for at least all current expenses from current revenues. This involves the immediate

discontinuance of deferring current responsibilities through the refunding of maturing bonds and through the financing of operating deficiencies with long-term bonds—practices now almost chronic with certain cities. These distasteful expedients, in some cases absolutely unavoidable in the worst years of the depression, have now, except in certain very special circumstances, merely become the hokum by which politicians delude the taxpayers about the cost of government.

### BORROWING FOR RELIEF

Such a return to normalcy, unfortunately, must also recognize that the emergency cost item of welfare is becoming a formidable permanent addition to current expense. Borrowing for relief had much justification as an emergency measure, but no municipality which values its solvency dares continue it as a regular means of meeting an obligation which promises to be with us indefinitely. What has been an abnormal expenditure is in the process of becoming a normal one and taxes must be levied to meet it. The adjustment is complicated by lack of knowledge of what the total bill will be and what share of it local government will be forced to assume, but it is significant that the local obligation in 1936—$205,000,000 or about 8 per cent of the total—was still met partially by borrowing.

The need of removing the more serious shortcomings of municipal financial policy and administration before we forget their recently embarrassing impact, has already been mentioned. By bringing these shortcomings so conspicuously to light, the depression did us a left-handed good turn, and one must be very skeptical of the future of local self-government if we fail to take advantage of these disclosures.

Certainly municipal finance has recently become a more general object of popular, professional, and scholarly interest than ever before. Some of the more visionary theorists, in fact, have become so obsessed with the inadequacy of arrangements as they exist that they have launched forth into designs for revolutionizing tax systems, regrouping governmental areas, replanning whole communities, and making municipalities little more than local administrative appendages of the state or even federal government. Constructive thinking of this nature is of vital importance in the long-term scheme of things, but in the meantime commonplace attention must be devoted to oiling the wheels of local government as we now have it. Sweeping and fundamental reforms are usually long in arriving, but practical and limited amendments can often be made to produce immediate advantage.

There is no sure formula for depression-proof municipal finance. But indications are that the application of a few relatively simple principles, generally known and advocated for many years by governmental researchers, would so stabilize the finances of most municipalities as to make them much less vulnerable to future economic depressions than they were to the last one.

The logical approach to the identification of these principles is a critical examination of the depression record for the purpose of ascertaining the factors which made for financial stability as well as those which led inevitably to trouble. To indicate the wide range of municipal fortunes and misfortunes upon which such an analysis can be based, suppose we attempt a rough classification of the depression financial histories of several hundred cities, touching merely the broadest aspects.

All these cities had their financial problems, needless to say, but consid-

ered relatively their records present a truly amazing variation. If they are placed rather arbitrarily in five categories they sort themselves out thus.

1. Cities which were sound financially at the beginning of the depression, held that position undeviatingly throughout the depression period, and are in as good or better financial condition at the present time. These records are marked by the prompt and regular meeting of all fiscal obligations, uninterrupted strength and liquidity of current accounts, satisfactory control of debt, and adequate maintenance of services. They include such cities as Baltimore, Binghamton, Cincinnati, Denver, Los Angeles, Richmond, San Francisco, and Springfield, Massachusetts.

2. Cities which were sound financially at the beginning of the depression, met with temporary but not serious setbacks, effected adjustments by some appropriate device, and rapidly re-established themselves on their former satisfactory basis, or better. This group is represented by such cities as Des Moines, New Haven, and Pittsburgh.

3. Cities which were not so well prepared financially to meet the depression, often because the weakness or inadequacy of some fiscal policy had not been recognized, which encountered moderate to serious financial difficulties, but as a result of some type of minor or major operation are in sound condition now or at least in better shape than they were in 1929. Representatives of this classification range all the way from New York City to Port Arthur, Texas, and include such communities as Dallas, Jersey City, Norfolk, and Yonkers.

4. A fourth group comprises cities which were in fair or even good financial condition on the eve of the depression, but which have muddled along more or less unconstructively and are still in a position of financial uncertainty. Here we have Boston, Buffalo, Cleveland, Philadelphia, and Seattle, to mention some of the larger cities.

5. Finally there are the cities which were ill-prepared for critical times or were special victims of circumstance, met with major financial difficulties, and were forced into methods of rehabilitation which will circumscribe their financial operations for many years to come. These run the gamut from Detroit, with its remarkably rapid economic recovery, through such cities as Atlantic City and Camden, New Jersey, and Knoxville and Chattanooga, Tennessee, to still unreadjusted Asbury Park and the rather hopelessly involved Asheville, North Carolina.

### POOR FINANCIAL ADMINISTRATION

The varying impact of the depression on the economy of these cities does not offer a sufficient explanation of the wide variation in their financial records. Part of this variation can only be attributed to the quality of financial management. In no other way can we account, for example, for the epidemic of financial distress which swept over the municipalities of the wealthy state of New Jersey, while in the neighboring state of Pennsylvania, with its highly vulnerable steel and coal industries, municipal financial difficulties were relatively minor in nature and extent.

The most general administrative cause of municipal financial troubles in recent years has been the deadly triangle of defective revenue estimates in the budget, defective administration of the general property tax, and the tendency to maintain a hand-to-mouth financial existence. Recent experience has demonstrated that budgets cannot be balanced in a crisis if revenue estimates are perfunctory or visionary, if some of the so-called revenues depended on are only very slowly realizable or

are even not ultimately collectible, if tax collection administration is lax and not well synchronized with the fiscal year, and if there are no revenue reserves as a safety cushion.

Before the depression the estimating of budgetary revenues by municipalities was often a perfunctory matter. The common method was to determine expenditure requirements for the year, estimate miscellaneous revenues, and set the tax levy to supply the difference. This worked fairly well in normal times when people paid their taxes at about the same rate of promptness from year to year. Collections of back taxes each year could be more or less depended on to offset the current tax delinquency of the year. Or bank loans could be negotiated or warrants issued, to be retired with reasonable regularity as the money came in.

With the onset of the depression, however, anticipated revenue became a more uncertain quantity and the methods used by municipalities in estimating and collecting income began to receive more critical scrutiny from creditors. Whereas formerly short-term credit had often been too easy to secure, and its use had thus been induced when no real need existed, in depression years it became too difficult to secure when there was dire necessity for it. Responsibility for the resulting embarrassment of many cities was divided. Aside from the general limitations imposed by depression conditions, it rested partly with cities which had "paper" budgets, defective tax bases, and weak revenue collection systems, and partly with banks and other creditors accustomed to making loans without adequate knowledge of municipal fiscal systems in general and without careful investigation of each situation.

Illustrating the more spectacular consequences, largely of these factors, are the virtual receivership for New York City under the bankers' agreement of 1933, the protracted financial embarrassment and extensive forced refunding of Chicago and its overlapping units of government, and the city of Newark's $16,000,000 of funding in 1934 and 1935 to disentangle its involved current account.

### UNSOUND POLICIES STILL CONTINUE

What is the situation at the present time? A very large majority of the latest municipal operating statements and balance sheets look strong. Many of them are strong, but many more are somewhat misleading because they reflect the support of abnormally large collections of back taxes which cannot continue indefinitely. A not insignificant number show the results of fundamental changes in fiscal policy which engender more confidence in future stability. But there is still evident that wide range in current financial status which discloses not only the continuation of traditional bad practices but the adoption of some new ones as well, and there is ample illustration of unsound policies which spell trouble for the next depression, or sooner.

By way of illustration, Boston closed its last fiscal year with the cash in its current account over $26,000,000 short of covering its current liabilities, and with these liabilities only narrowly covered by ultimately realizable assets. The administrative explanations included property assessments vulnerable to attack, failure to impose penalties for nonpayment of taxes till near the close of the fiscal year, ineffective collection of delinquent taxes, and inadequate overlays and reserves.

The city of Chicago, to cite another outstanding example, depends on property tax levies which are at least 15 per cent uncollectible, yet the courts permit an allowance for loss and cost

of less than 5 per cent. The city of Seattle, at the close of last year, had a cash deficiency in its operating account of over $4,000,000, not entirely covered by receivables and primarily due to the tax rate limit which the thrifty citizens of the state of Washington have imposed upon themselves.

Typifying the cities at the other extreme, Oakland, California, an industrial city of over 300,000 population, closed its 1936 fiscal year with $2,700,000 of current fund cash in excess of liabilities—enough to run on for nearly half a year. Again, the city of Los Angeles has not borrowed a nickel for operating purposes, even in anticipation of taxes, for the past thirty years.

Now then, it may be stated as an objective that a city's current account should always be kept so satisfactorily liquid that it will temper the effects of any business crisis or special local emergency. What are the mechanics for attainment?

### BUDGETS ON A CASH BASIS

One good answer is cash basis operations—revenue estimates each year based on actually anticipated cash receipts and any cash deficiency at the close of the year provided for in the budget of the following year. The state of Kansas cash basis law of 1933 and the New Jersey optional act of 1934 are good examples of satisfactory procedure. Cash basis budgets demand efficient tax collection administration and supply pressure for it. They are not depression-proof when cities are particularly vulnerable to economic fluctuations, but they can help to lighten the impact of hard times.

Budgets constructed on an accrued revenue basis, however, can be made to function with at least equal effectiveness. The theory on which this budget-balancing procedure is based is perfectly sound, namely, that taxes actually levied constitute revenue, even though the full cash receipts do not come in within the immediate fiscal year. But the practice is sound only when the revenues actually depended on are ultimately realizable and when they are not so slowly realizable as to be in the nature of frozen assets. The security of temporary loans and the ability of cities to avoid embarrassment through deficiencies in cash are materially dependent on these two factors.

In assuring a continuously sound current position, two automatic procedural steps should be required. First, taxes three years old, or at the most four years old, should be written off or reserved. This not only minimizes dependence on antique and doubtful assets in budget balancing and short-term borrowing, but it helps to preserve the confidence of creditors and to promote efficient tax administration. Second, a revenue reserve should be built up, either gradually by appropriation or at one time by some special financial transaction such as a bond issue, until it attains that proportion of a year's tax levy which constitutes an adequate margin of safety. The proportion should be determined by a city's record of economic and financial stability. Such a reserve will make a city's operations self-financing in normal times, minimize borrowing for operations in business depressions, and maintain a sound basis for securing short-term credit.

Let me cite three illustrations of cities which are now strengthening their financial future by these methods. New York City's new charter provides both for the writing off of taxes four years in arrears, and for the building up of a revenue reserve, at the rate of 2 per cent a year, which ultimately will amount to a third of the tax levy.

New Rochelle, New York, a city of

60,000 population, has amended its charter to build and maintain a surplus large enough to cover all delinquent taxes during years of poor as well as good tax collections. This has already been accomplished by large tax reserves placed in the 1934 and 1935 budgets. The result—at the close of 1933 the city had a cash deficiency of $1,500,000, at the close of 1936 it had a cash surplus of over $600,000 and additional current assets of $2,700,000.

Atlantic City, seriously in default for several years, had a net cash deficiency in its current account at the end of 1933 of nearly $11,000,000, placing it more than a year behind. Not only has the current account been stabilized in the process of curing the default, but by 1941 the city will have a surplus reserve of over $4,000,000, about 75 per cent of its probable maximum tax levy, which must be maintained through 1972. This should permit the complete self-financing of all delinquent taxes during good collection years and offset to a large extent the city's vulnerability to swings in the economic cycle.

### STATE LOANS

One further aid to maintenance of stable fiscal operations should be mentioned as particularly important for serious consideration. This is provision for state loans to municipalities for operating purposes in periods of emergency. They should be made contingent upon satisfactory local administrative performance standards, and probably should be limited to the amount of tax titles taken or purchased by a municipality, as in the instance of the very useful arrangement by the state of Massachusetts.

Before leaving this subject of how to maintain sound current accounts, one disquieting qualification is necessary. Municipalities operating under drastic tax rate limitations are precluded from adequate planning and action. They are restricted to ingenious expediency until such time as impractical rate limits have fully demonstrated their uselessness and are abandoned.

Along with some cities' failure to control their current account balance sheets has been their failure to control debt. Even a badly unbalanced budget can be rectified in a reasonably short period of time; but a city which suddenly comes to with a jolt and finds itself with a debt which it cannot possibly, or at least conveniently, repay, is caught in a dilemma from which it may not be able to extricate itself for a generation.

A great many defaults have been cured and a great many others averted by the use of refunding bonds to postpone payment. But the actual scaling of municipal debt has been relatively negligible, and excessive debt loads have merely been projected into the future. Many refunding plans have been very ingenious, and some have been highly constructive, but others paid too little attention to the requirements of sound debt structure and largely ignored the fact that a city cannot devote its resources exclusively for the next thirty or forty years to the payment of present debt, but must be able to meet new capital requirements. Thus the rather extensive postponement of debt obligations during the past few years is one of the heritages of the depression which will complicate the fiscal affairs of some cities for many years to come.

The fact that a goodly number of communities, operating under what are ostensibly adequate debt limitation laws, have been able to accumulate debt loads out of all reasonable proportion to capacity for payment, indicates very conclusively the futility of many debt limitation provisions. Vari-

ous proposals for more effective limitation devices have been forthcoming, such as a borrowing ratio based on a nine-year assessed valuation average in order to prevent fictitious write-ups of borrowing margin, substitution of ratios related to budgets or to some index of wealth, measurement of interest charges instead of principal, etc. Some of them have definite merit; but the fact remains that any scheme of borrowing limitation, to be effective, must concern itself with the total local public debt of the community, irrespective of whether it is the obligation of a single unit or of a half dozen overlapping units. My own notion is that the maximum limit for tax-supported over-all debt should not exceed 10 per cent of assessed valuation at 100 per cent of full value, and that bond issues above an 8 per cent limit should require the special approval of an appropriate state agency.

Consideration should also be given to one more general principle. This principle may be summarized in the statement that a municipality's financial policies and practices must be conditioned by its economic characteristics. It has always been accepted as a matter of course that a city's taxing and spending and borrowing must bear some reasonable relationship to the level of its wealth. But municipal finance has never taken fully into account its appropriate relation to the other wide divergencies in community resources.

We have cities with a well rounded economy of industry, trade, and finance, diversified industrial cities, one-industry cities, mining towns, commercial centers and shipping centers for both specialized and diversified economic areas, suburban residential communities, state capitals, resort cities, and even real estate subdivisions incorporated as cities. Additionally, we have cities with populations growing rapidly, stationary, and even declining. They do not all respond alike to a rising business cycle, and certainly they do not follow the same economic pattern through a severe business depression.

What might constitute a safe budgetary or borrowing policy for Hartford, Albany, Cincinnati, or San Francisco, with their high degrees of secular and transitory stability, would be less safe for Pittsburgh, Detroit, Akron, or Altoona, and still less so for a resort city, a commercial center in the dust bowl, or a factory town dependent on a single steel plant.

Income from taxes in some cities during the depression never fell below 90 or 95 per cent of the year's levy, in others it fell to 60 per cent or even lower. The first class had little need of revenue reserves, while the second type was almost helpless without them.

A stable, well rounded city with a high resistance to economic fluctuations can borrow extensively with impunity. But an automobile city, for example, with wide cyclical swings in income and employment, needs pay-as-you-go financing when it is on the up-grade, and should avoid an even, high level of debt service over a long period of years.

These are merely introductory suggestions. The depression has served to drive home the fact that standards in municipal finance cannot have a rigid, universal application but must be tempered by varying economic realities from city to city. The comparative study of community social and economic characteristics must be more closely integrated with the work of specialists in municipal finance.

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Editor's Note.—Address delivered August 31st before conference of Governmental Research Association, Ithaca, New York.

# Hinky, Dinky, Parlez-vous?

**International organizations meet in Paris to discuss housing, planning, and other timely subjects.**

ROWLAND EGGER

*University of Virginia*

IN SPITE of the handicap of its formidable cognomen, the *Quinzaine Internationale des Administrations publiques, de l'Urbanisme, et de l'Habitation* which held forth at Paris from July 5th to 19th, last, provided an occasion which amply repaid the efforts of the thirty or so Americans who crossed the Atlantic in order to attend. This series of conferences, sponsored by the International Union of Local Authorities,[1] the International Institute of Administrative Sciences,[2] and the newly amalgamated International Federation for Housing and Town Planning[3] was notable for many reasons. In the first place it was the initial public manifestation of the collaboration which has been built up between the Union and the Institute as a result of the work of the Joint Committee on Planning and Coöperation.[4] In the second place, it provided the occasion for the formal unification of the International Federation for Housing and Town Planning (London) and the International Housing Association (Frankfort). In the third place, it illustrated very effectively the fundamental wisdom of bringing the radically different approaches of administrators, lawyers, technicians, planners, and citizens together in common conference for the purpose of talking and thinking about world-wide administrative problems. Finally, the substance of the reports and discussions was itself well worth the attention of the participants.

### MILK

The topics on which the International Union of Local Authorities assumed the responsibility for preparing reports were the sanitary control of the urban milk supply and the abatement of atmospheric pollution. This comparative international review of legislation and administrative practice, of technical and scientific methods, and of public opinion regarding two of the most perplexing problems of modern metropolitan life afforded a concrete illustration of the essential unity of contemporary public administration, as well as contributed significantly to the equipment of those who attended these sessions.

Perhaps the most significant fact adduced from the discussion of sanitary regulation of the milk supply was the

[1]For a description of the Union and its work see E. Vinck, "The International Union of Local Authorities," in this REVIEW for September 1936, p. 483.

[2]Edmond Lesoir describes the Institute in the REVIEW for September 1936, p. 487.

[3]For details of this consolidation see the present writer's "The Brussels Public Administration Center," in *Public Management* for September 1937, p. 266.

[4]The Joint Committee and its work is described by Louis Brownlow, "Planning and Coöperation Among International Organizations," in this REVIEW for September 1936, p. 480.

enormous difference between American and European conceptions of "sanitary." To those who have undergone the rather drastic experience of housekeeping on the continent, the lack of 99 44/100 per cent purity in milk and other edibles is not news. And it may be true, as Europeans often insist, that the super-sterility and purity of American methods in such matters take a good deal of the adventure out of life. At the same time, opposition to pasteurization at this late date does fall rather oddly on most American ears.

This is not to say that in regard to problems of sanitary distribution some European jurisdictions have not developed techniques and methods well worth emulation. In general, however, there is little in the European situation to engender dissatisfaction with certified, grade A, pasteurized as we know it. The apparent indifference of both public authorities and people to the quality of milk, excluding sanitary and pasteurization problems, is striking. The lack of regulations concerning central collection and supervision, transport and sale is even more striking. The fact seems to be that with certain notable exceptions milk distribution and marketing is still small scale business which is not in a position economically to provide the safeguards which we regard as essential. It is, too, more than a little amusing to be shown "model" dairy installations which, while quite satisfactory, are still a good many jumps behind that of the ordinary agricultural experiment and demonstration station in this country.

### ATMOSPHERIC POLLUTION

The picture with regard to atmospheric pollution and its abatement gives less cause for smugness. While to many it might, with reason, appear that an international conference on the *abatement* of atmospheric pollution is a pretty flagrant contradiction in terms, the national reports and the discussion of Dr. Humery's general report constituted a significant contribution to the "documentation" of smoke abatement and to the inspiration of more effective measures for the eradication of this scourge of metropolitan living. Space prohibits any considerable discussion of the findings of these reports, but municipal administrators will be gratified to know that authentic information, which has been subjected to the critical scrutiny of state and local officials, dealing with conditions of enormous diversity, on every practical aspect of atmospheric pollution, will now be available within the confines of a single volume—the Union's report on this topic. Planners, public health officers, toxicologists, physicists, chemists, and meteorologists will find an unequalled summary of scientific developments in each country which, through the techniques of the several relevant disciplines, have sought to throw more light on the origins and effects of atmospheric pollution. General administrators will find concise summaries of legislative principles and administrative practices, with frank discussion of why legislative principles have not regulated and why administration has not abated pollution.

While it appears that a good deal more headway has been made in many European centers in securing the use of smoke-reducing devices and appliances than in many parts of America, it is still clear that nowhere has the pollution problem been met in any adequate fashion. From the national and general reports and the discussions, it seems that one of the major impediments to effective suppresssion of atmospheric pollution is the lack of administratively applicable definitions or standards of pollution. Most of the regulations on the subject leave such large discretion with the administrative

authorities in determining the nuisable state of atmospheric pollution that administrators have not cared to launch themselves upon the perilous seas of vigorous enforcement. The consensus of opinion seems to indicate that more specific legislation, plus an intensive cooperative campaign among local authorities, industrialists, building constructors, oil and gas producers and distributors, apartment owners and operators, private householders and others, with the full sanction of an aroused and informed public opinion behind it, will be necessary to meet effectively the growing problem of contamination.

### RENTS FOR THE WORKING CLASSES

The joint congress of the International Federation for Housing and Town Planning and the International Housing Association prepared comprehensive reports upon and discussed three major topics: the financing of houses and rents for the working classes, vertical versus horizontal construction, and national planning. It is difficult to say just how much the reports and discussions concerning low-cost housing construction and rentals contributed toward the development of any principles regarding this problem other than ringing the changes which have occurred in policy in the several countries in recent years. To a rank outsider, with a profound respect for the social desirability of high-standard housing, who is sufficiently genuinely democratic to dislike the terminology and a good deal of the ideology behind such expressions as "houses for the working classes," much of the solemn nonsense in general circulation seems quite like the ancient argument concerning the relative priority of the hen or the egg. It is exceedingly curious and unexplainable why people with sound social instincts in these matters still seem morally obligated to talk about housing finance in the lingo and with the mental clichés of the private housing racketeers.

The national reports on this question contain a great deal of material summarizing legislation and administrative practices regarding government loans, tax remissions, and other phases of paper-shuffling and sleight-of-hand by which governments and individuals are still attempting to stave off for a little while longer a frank facing of the problem of the people's housing. There are also discernible in some quarters tendencies toward the abandonment of the "self-liquidating" shibboleth which has surrounded and eventually perverted much of the housing construction hitherto undertaken by, or under the patronage of, public authorities. But the report gives no answer to the question, "Why, if government may use the taxing power for the redistribution of wealth, is it then so very sinful for it to distribute that wealth according to real need rather than on the basis of need more than adequately tempered with ability-to-pay?"

### HORIZONTAL VERSUS VERTICAL BUILDING

In the discussions regarding horizontal versus vertical construction the conferees were, in a manner of speaking, on old, familiar ground. When this question is finally settled, a good many planners and housers in Europe will have been done out of their hardiest conversational perennial. In general, it seems safe to say that if land cost is excluded the experience of this country and of Europe indicates that ordinarily a temporary point of diminishing returns is reached after six stories of height for apartment buildings, which is, however, overcome after the building reaches about twelve stories. But American and European ideas regarding vertical construction are hardly comparable; when a European speaks of horizontal

versus vertical construction he usually is comparing the relative merits of a five- or six-story walk-up apartment house versus detached or semidetached houses of one or two stories.

Many of the reasons advanced in the debate regarding the non-economic advantages and disadvantages of the different types of construction seemed, to the present writer, to be mainly reiterative of a firmly grounded prejudice in many quarters against multiple-dwelling houses. Most of the planners and housers seem, in this regard, to be suffering from bad cases of split-personality—they talk single-family dwellings and build apartments. They insist that the people demand the privacy of single-family dwellings—and they still build apartments.

### NATIONAL AND REGIONAL PLANNING

The discussion of national and regional planning was highly circumscribed by the ideology of most of the reporters, and by the general insistence upon the value of the physical planning idea as against the much broader conception of national planning in this country and France. However, as Sir Raymond Unwin pointed out, "Planning . . . includes the essential elements of design, the creation of enhanced values through the arranging of a new system of relations whether in the social, economic, or aesthetic spheres of interest, and the making of a plan which can express and communicate the new order and enable it to be realized." It is further pointed out that planning has been started on a neighborhood basis and eventually extended to the entire city and perhaps to the entire region: from which it is concluded that a regional or national plan is a coördinated group of local and regional plans which, it is insisted, must have more than the mere semblance of unity but which should be carefully protected against overcentralization.

A little fundamental theorizing upon the difference between central and local functions might have illumined this problem. Does national planning really deal with the same stuff as local, regional, or even state planning? It is, of course, true that local planning deals mainly with land use and the preservation of values incident to different types of necessary land use in the locality. State planning likewise deals with land use, but in an entirely different sense and from a considerably different point of view; likewise, many important aspects of state planning are concerned either not at all or only incidentally with land use in its local planning connotation. National planning deals, in certain important aspects, although by no means primarily, with land use, but from still another viewpoint which is somewhat different from that of state planning, and its major problems are far removed from land-use planning as it is commonly understood. And any conception which attempts to make a state plan a carefully coördinated series of local plans, and a national plan a coördinated series of state plans simply does not fit the facts. This does not mean that there is not an imperative necessity for close coördination, nor does it minimize the dangers of overcentralization in planning research, but to assume that organically a state plan is built entirely upon local plans, or a national plan upon state and regional plans, does grave violence to the objectives of state and national planning as they are understood in this country. Furthermore, the argument about the dangers of over-centralization are irrelevant to American planning in the light of our changed conception of the rôle of all planning agencies; there is more than a little probability that we

would have had better plans better executed if even local planning boards had been recognized from the beginning to be auxiliary technical staff agencies rather than control bodies.

### THE LAW OF PLANNING AND ZONING

The conferences of the Institute of Administrative Sciences contributed an important consideration—that of the practical legal and regulatory problems involved in getting plans off paper and into practice. It is impossible in this short note to do more than mention in passing the topics discussed. These included the general philosophy of planning legislation, problems and principles involved in the codification of planning laws and regulations, procedure for establishing municipal and regional plans, zoning and servitudes established in pursuit of planning projects, planning regulations and property rights, planning of public ways, planning and public defense, the financing of operations anticipatory to the establishment of plans, planning and the courts. The most important general observation which proceeded from these discussions was that in virtually every country the apparent conflict between private rights and planning had obscured, in greater or less degree, in both legislation and jurisprudence, their fundamental harmony—which could be readily observed in the great planning projects which had been executed in times long past.

### THE BRUSSELS PUBLIC ADMINISTRATION CENTER

Not directly related to a discussion of the Paris conferences themselves, but of vital importance to the organizations which sponsored them, is the recent creation of the International Public Administration Center at Brussels. Pursuant to the plan developed for more effective collaboration among international organizations by the Joint Committee on Planning and Coöperation, of which Mr. Louis Brownlow was chairman, the Union and Institute are now established in modern common quarters in the Shell Building, 47 Cantersteen, Brussels, Belgium. They have established between themselves the *Services Communs,* through which they pool their personnel and library resources, as well as a certain amount of their financial strength, for the performance of certain of the major functions of each organization. As a result of the decision taken at Paris to amalgamate the London and Frankfort international housing and town planning organizations, the new International Federation for Housing and Town Planning will be added to the *Services Communs* at the beginning of 1938. Thus has been established a coöperative venture which it is believed will contribute worthily to the more effective exchange of experience in administrative affairs at the international level.

The *Services Communs* are under the direction of a board composed of Mr. Louis Brownlow, Mr. Edmond Lesoir, and Senator Emile Vinck. Four major sections have been organized: information and communications, directed by Senator Vinck; research, headed by Daniel Warnotte; publications, guided by Léon Wouters; and conferences and external relations, directed by Réne Didisheim. The joint reference library is administered by Georges Ysewyn. In addition, common secretarial and finance services are maintained. A competent staff of Belgian, English, and German nationals, in addition to national collaborators sent by Poland and several other countries, numbering about fourteen in all, assures close liaison with the thirty countries affiliated with the constituent organizations. On one front, at least, international coöperation can move forward.

# The National Government Surveys Urban Life

**Urbanism Committee of National Resources Committee makes first comprehensive report on cities and their needs.**

JOHN BLANCHARD — *National Municipal League*

THE first attempt of the national government to examine urban conditions in this country has recently been completed and is now available in *Our Cities—Their Role in the National Economy*,[1] a report of the Urbanism Committee[2] to its parent body, the National Resources Committee.

Although in 1909 the Country Life Commission, reporting to President Theodore Roosevelt, explored the problems of rural living, no similar survey has been made, until the current one, of the problems growing out of the phenomenal progression of this country toward urbanism. The federal government has obviously interested itself in agriculture and rural life as contrasted to its almost complete lack of concern about cities. Whatever relations the federal government had with them were carried on exclusively through the states and it was not until the crisis that came to focus in the recent depression that the national government began to recognize the need for dealing directly with cities as political, economic, and social entities. Even then the federal-city relations were and still are casual and incidental.

Meanwhile this country was undergoing a tremendous and rapid urban growth. In little more than a century it had jumped from a primitive agriculturalism to a complex, industrial urbanism. The pace and extent of urbanization during this period are revealed by a few facts and figures from the committee's report.

From a mere half dozen cities in 1790, no one of which contained more than fifty thousand people, the number of cities or urban places increased to 3,165 in 1930, of which number ninety-six are metropolitan districts—in each one of which there are at least one hundred thousand inhabitants. Urban population shot up from 3 per cent of the total population in 1790 to 26 per cent in 1880, and from there to more than one-half of the total population (56.2 per cent) in 1930. Within a single generation, 1900 to 1930, the urban population of the United States grew from thirty million to nearly sixty-nine million, about 130 per cent.

Cities rapidly became the concentration points of industry and commerce until in 1929 of more than three thousand counties in the United States, the 155 which contain the larger industrial cities embraced 74 per cent of all industrial wage earners, 81 per cent of all salaried employees, 65 per cent of all the industrial establishments, and 80

[1] Washington, D. C., Superintendent of Documents, 1937, price fifty cents (paper cover).

[2] C. A. Dykstra, *chairman*, Louis Brownlow, Arthur C. Comey, Charles W. Eliot 2nd, Harold D. Smith, M. L. Wilson, Louis Wirth, and L. Segoe, *director*.

per cent of the value added to manufactured products. The counties containing the eleven largest cities accounted for over half of the total wholesale trade, while the ninety-three cities over one hundred thousand reported over three-fourths of the total.

This whole process of urbanization was hastened by the mechanization of agriculture which released a substantial part of the population from agricultural labor; by the demand for cheap labor which resulted in a vast immigration from foreign lands; while steam, electricity, and great technological triumphs contributed to the amazing growth of the modern city.

First real concern over this swift and dramatic transition from a predominently rural to a predominently urban society manifested itself in the present administration. And from this new awareness of the significance of the city in and of itself as a force that shapes and directs our national life and destiny, there resulted the inquiry of the Urbanism Committee into the facts, processes, the problems and prospects of urban America as they are related to national life and policy.

The committee examines much that is familiar ground to the student of municipal government. It gives consideration, for example, to the many problems which resulted from the lack of planning and excesses of a young nation caught in the fever of expansion. The scars of these ill-advised days are apparent even today in uncoördinated transportation systems, narrow streets, inflated land values, blighted slum areas, etc.

While the problems inherited from this period in our national history might seem enough in themselves to command the attention of governments for some time, new and vital forces are at work which may result in the fundamental reshaping of our cities and which create new and pressing problems. It is in an examination of these forces and new trends, and in consideration of their national implications, that the report of the Urbanism Committee acquires real interest and importance.

The automobile and cheap power appear as powerful agents encouraging population movement from the large central cities into suburban areas and satellite towns, as influencing the rise of industrial establishments at the margins of metropolitan regions, and as stimulating the growth of retail subcenters in the suburban areas.

Increase in the use of automobiles has meant death to many villages and even intermediate towns whose raison d'etre ceases with the development of rapid transportation and large, easily accessible cities.

Electricity, moreover, in its numerous uses in such forms as the radio, telegraph, telephone, etc., gives promise of having at least as great an influence during the twentieth century as steam did in the nineteenth.

Under the impulsion of government interposition and economic necessity, modifications in our transportation system have begun to take place. Shifts in location to cheaper land, coördination among transportation agencies, terminal consolidation, the use of freight containers and fast pick-up and delivery service are but symptoms of a new era and hold important implications to cities now hamstrung with many terminals, congestion, and uncoördinated transportation systems.

### POPULATION DECLINING

Probably one of the most significant trends of recent years is the nation's declining birth rate. The reproduction rate in cities has been declining so rapidly that only in the smaller cities are women bearing enough children to

reproduce the present population. Thus with unity (1.0) indicating that a community had enough children in 1930 to maintain its present numbers, it is found that the index for cities of over 100,000 population is 0.76, that for cities of 25,000-100,000 is 0.88, that for cities of 10,000-25,000 is 0.97 and for the smallest cities, 2,500-10,000, it is 1.04. For rural communities the index is 1.54, but even this represents a considerable decline in the rural birth rate.

With foreign immigration practically cut off and most cities unable to maintain a birth rate sufficient for even a stationary population, the only possible sources of recruitment become the rural areas. And since the rural areas now constitute considerably less than half of the total population and the rural birth rate is also declining, a marked slowing down of the growth of cities is impending. That this is already taking place is apparent from the figures of migration from the rural areas to the city. In the decade 1920 to 1930, there was a net movement of six million people away from the farms. The net migration from rural areas to the cities from 1930 to 1935 is estimated at only six hundred thousand, a decline due in part to the depression.

The decline of population growth, especially in cities, according to the Urbanism Committee's report, "presages a number of important changes in the economic and social life of cities and of the nation as a whole. Thus we may look forward to a lessened need for the expansion and to an increased need and opportunity for improving the quality of public utilities, of welfare and educational institutions, and to much more gradual changes in land values. With slower growth and lessened migration the urban population will tend to be older, and consequently the power and interests of older people will probably bulk larger in the future. It will be easier to provide education for the young, a fact already evident in many cities through the lessened enrollment in elementary schools; and there will be an increasing need for adult education. The scarcity of children and youths will correspondingly call for greater concern about the conservation of these potential human resources."

Since the urban population will increasingly be recruited from the economically and culturally least favorable rural areas where for the time being the reproduction rates remain high, it becomes imperative to take measures to minimize the added burden upon urban institutions, relieve the social and personal costs of readjustment, and prevent adversely affecting the quality of urban stock. Such measures, the Urbanism Committee believes, would seek to equalize the opportunities between country and city through a more equitable distribution of public revenues; they would envisage the improvement of rural populations through closer attention to the problems of farm tenancy and the resettlement of ruralites now existing on submarginal land.

### METROPOLITAN COMMUNITIES

Of no less importance as evidence of a shifting urban pattern is the extraordinarily rapid growth of satellite towns and rural communities within the orbit of metropolitan centers. Born of an urge to escape the obnoxious aspects of urban life without at the same time losing access to its economic and cultural advantages and expedited by the more general use of the automobile, electric service, telephone, etc., this movement has become marked in recent years.

Thus since 1900 the rate of population increase has been greater in the satellite areas surrounding the large cities at the center of the metropolitan

district than within the city's own limits. In the decade of 1920-1930, the central cities increased 22.3 per cent while those portions lying outside the central cities increased at about twice this rate and nearly six times as much as the non-metropolitan part.

According to the Urbanism Committee this outward movement is not a devolution or general flight from the city. It is merely redistribution of the population within metropolitan regions.

When this new phase in the growth of cities is viewed side by side with the bewildering multiplicity of authorities and administrative districts which exist in each metropolitan region, the need becomes apparent for enlargement and development of local government areas, powers, and techniques irrespective of the political boundary line. Unless this is done the committee says "the economic and social base of the city will disintegrate. For no community in a democratic society can long remain a sound functioning organism if those among its members who gain the greatest benefits from it escape from most of the obligations communal life imposes, and if those who obtain the least returns in the way of the necessities and amenities of life are left to bear the brunt of civic responsibility and taxation.

Just as people are moving into the suburban peripheries of large cities, so industry is showing a tendency toward more dense settlements on the margins of the city. Retail stores are establishing suburban subcenters. But although industries are less tied to any particular section of the country than formerly, "there is no evidence of a marked dispersion of industry from the cities into the country."

Another important trend in American industry, so far as the city and nation are concerned, is that toward larger corporate units of manufacturing, merchandising, and management. While monopoly to some extent limits the mobility of capital and so hinders desirable and efficient relocation, it also is likely to influence industrial location in a more rational direction by tending toward a more exclusive emphasis of pecuniary factors and the minimization of local pride, traditional attachment, and sentiment.

One other major trend deserves mention. Larger cities now reflect their increasing importance as commercial and service centers rather than as industrial centers. This shift is indicated in the increasing proportion of workers in large cities who are classified as white collar workers.

### RECOMMENDATIONS OF COMMITTEE

Having examined the facts, problems, and major trends of urban life in the United States, the Urbanism Committee makes the following recommendations after first insisting that "it is not the business of the United States government to assume responsibility for the solution of purely local problems . . . . but it is the purpose of this inquiry to indicate some of the emerging city problems in which the nation as a whole has an interest and in which the national government may be helpful." The major recommendations of the committee follow, in part:

Since a very large proportion of the American people with low and uncertain incomes is found in the cities, since the city worker has little to fall back upon when unemployed, and because many of the most acute and persistent problems of the city cannot be solved until the fundamental issue of adequate and secure income is met, the committee urges that the efforts already made by government, industry, and labor toward the raising of family incomes and the increasing of economic security be con-

tinued and intensified. It is further recommended that the United States both study and act upon the problems of chronically depressed urban areas.

That the federal government should continue its policy of coöperation with and assistance to the social-welfare programs of urban communities.

That a section for urban research should be set up in some suitable federal agency which would perform for urban communities functions comparable to those now performed for rural communities by the department of agriculture. A clearing house of urban information should be created in the bureau of census. The central statistical board should give special consideration to the inadequacies of existing urban data.

That a comprehensive and thoroughgoing inquiry should be made by the National Tax Revision Council or other suitable agency of the entire subject of conflicting fiscal policies and taxation as practiced by the local, state, and federal governments.

DEPRESSION ASSISTANCE

The committee recommends the consideration of legislation primarily for periods of economic distress creating a federal credit agency authorized to make loans and grants under adequate legislative safeguards to local governments for the purpose of public works construction (including housing), acquisition or construction of public utilities, land purchases, etc.

That Congress should pass legislation giving advance consent and laying down the conditions under which there may be adopted interstate compacts enabling the several communities within the same metropolitan region, but in separate states, to deal jointly with the regional aspects of health, sanitation, industrial-waste regulation, etc.

That Congress establish a permanent federal public works authority which should be directly responsible for the formulation and execution of a specific and detailed nation-wide program of public works, and for the encouragement and coöperation in public works planning between national, state, and local agencies.

That immediate consideration be given to the urgent necessity of coördinating both at Washington and in the field the related services and activities performed by the various federal agencies operating in urban areas.

The serious need of raising the competence and prestige of the urban public service in various communities leads the committee to recommend that states and urban areas availing themselves of federal grants-in-aid should be expected by the federal government to conform to minimum personnel standards under the merit system in the area in which the grant is made.

Because, in the past, urban communities frequently chose or were forced by law to acquire land at excessive cost and dispose of their holdings in haste and at a loss, the committee advocates the liberalizing of the fundamental laws of the states in order to permit urban authorities to acquire, hold, and dispose of land with greater freedom and to allow a wider interpretation of the term "public use." Since opportunities for land acquisition often are best when the urban community is least financially able to make such outlays, the committee recommends that the aforementioned federal credit agency be authorized to make loans to urban communities for such public uses as low-rent housing, recreational and educational facilities.

The committee also made recommendations as to housing and slum clearance, the articulation of the national and industrial structure, transportation, planning, etc.

# Toledo's Manager Government and Labor

**Efficient administration of city's affairs under model charter giving labor greater benefits than it received formerly.**

EDWARD A. DE ANGELO — *Toledo City Council*

IN PRESENTING the standpoint of labor on the campaign issues, I have no purpose other than to state frankly and sincerely how I feel about our present form of city government and the proposal to destroy it by substituting a twenty-one-man council elected by wards.

It is my solemn and considered judgment that Toledo's city manager form of government with its nine-man council elected by proportional representation, has made a worthwhile record of efficiency and of fairness to all classes. In a lifetime in Toledo I'm most proud of my part in the wise legislation and the justice and fairness of policy that have marked these last two years. I served one term as councilman from the ninth ward in the last large council, and a second term as a councilman elected at large, with the endorsement of the Central Labor Union, under the city manager form.

Speaking from my experience as a councilman under both forms of government, and as a taxpayer, it is my honest opinion that our city government, as now constituted, is the best Toledo has ever known.

Phil Murphy [the other representative of labor on the council] and myself have been called in on every conference or hearing involving labor. Sometimes we have been able to assist in arriving at a satisfactory solution, not only of city employees' problems, but of outside disputes as well. This was particularly true when Toledo was faced with a gas shutoff.

After all, the people of Toledo, both labor and capital, have a common cause as to government. They want honest, hard-hitting city officials with the ability to say "no" when "no" is the answer. We don't want yes-men, or the easy-going kind to handle the important business that has to do with municipal law, finances, and the balancing of the budget.

It is never as easy for the laboring man to pay his taxes as it is for the man of wealth, and that is all the more reason why the worker should vote for the only Toledo government that has lived within its income in the last seven years. Office-seekers who want to put over the twenty-one-man plan have a lot to say about the chamber of commerce and the wealthy men. Labor's interests are the same as those of any business man, professional man, bank-

EDITOR'S NOTE.—The article above has been adapted from a radio address delivered by Mr. De Angelo in Toledo, Ohio, on September 7, last. That address was part of a vigorous campaign to defeat an amendment which would have changed Toledo's manager charter by substituting a twenty-one-man council, elected by wards, for the present council of nine members, elected from the city at large by proportional representation. The amendment was subsequently decisively defeated. For further details see page 500.

er, or employer when it comes to good, clean government.

Labor wants its representatives on the city payroll to get a fair whirl in wages and hours, for which each is willing to give an honest day's work. Labor doesn't want city jobs dominated by political manipulators. When a city worker goes home at night, he shouldn't have to worry about having to boost this candidate or that one to hold his job.

City employees want to buy homes, rear families, and to be able to pay their way like any other citizen. They are entitled to continuous employment at fair wages so long as they do their work well. And that is what they are getting under this form of government. They don't have to apologize to anyone for the work they are doing or the jobs they hold.

Any worker worth his salt takes pride in standing on his own feet. He wants to make good on his job and show that he can produce. But he also wants to keep the job on his merits, and not because of some political connection. He also wants his pay-check with no strings attached, and he doesn't want to be forced every couple of years to sacrifice a part of what he has honestly earned as a campaign contribution for the candidate who got him his appointment.

Otto Branch, secretary of the Central Labor Union, said recently that in all the years he has been active in organized labor here, he has never received any fairer consideration than under the present form of government. The administration hasn't done everything labor or capital or any other group has asked, simply because it has been impossible to do so. But every group has had a fair and courteous hearing.

Take the actual method of transacting the city's business. It's much easier for council to work out matters of policy and problems when a group of nine men, interested in the whole city, can sit down at a table and talk over the issues with authorized respresentatives of labor, or any other group affected by the matter before council.

When, under the old, large council, did labor or any other group's authorized representatives find it possible to discuss questions without interruptions from large evening audiences which were often composed of hecklers, people who were not interested in the particular subject under discussion?

Many a night well past midnight the old council listened to useless bickering, political grandstand speeches, and meaningless discussions of matters that the new nine-man council could have disposed of in a few minutes. Always there was the group of outsiders who wanted the jobs of the present employees, waiting for a chance to upset those on the city's payroll regardless of how long they had been working or how well their work was done. They made it tough for everybody, from the mayor down the entire council.

### THE MERIT SYSTEM IN OPERATION

Today, when an appointment is made, the city manager and department heads start at the top of an eligibility list composed from the civil service examinations, and the best man gets the job. That may disappoint political job seekers, but the results are all in the taxpayers' favor.

Our council meetings are open to any authorized representative of any group or organization. Anyone who really has business with council or the manager has no trouble getting attention. At every meeting representatives of labor, of the chamber of commerce, taxpayers' organizations, public utilities, and others appear. They are welcome, as is any citizen with legitimate business.

I do not believe that the laboring men of Toledo want a piker government in the city hall. They are willing to pay councilmen what their services are worth. Manager Edy can have that $12,800 salary, if he'll just continue to save the city the $20,800 which he did by abolishing a lot of high salaried jobs and promoting the men down below, who were doing the real work anyway.

SALARY SAVINGS

Just what were those jobs? First, he took two jobs himself and thus saved the city $4,800 a year it used to pay a director of public safety. Then he eliminated the position of finance director, which he could have filled with another man, and saved $4,800 more. Next, he combined the divisions of the treasury and of licenses and assessments under one commissioner, at another saving of $3,000 a year. The secretary to the safety director, which was formerly one of those juicy political plums the mayor handed out, is a real job now, because that man also has to serve as personnel clerk, and the saving on these two jobs was $1,389.

Formerly, we had a commissioner of water and a superintendent of the filtration plant. The filtration plant superintendent was moved up but kept his little job too, and $3,600 more was saved. The commissioner of purchases, who incidentally is doing as good a job as the purchasing agent of any other big Toledo industry, is also operating the new budget control system, which keeps the boys from spending more than councilmen have appropriated for their departments; he is also handling much of the personnel supervision.

Naturally, you'll find a lot of people over in the other camp who are former city employees. They have no love for this form of government because it has exposed their deficiencies and kept them from holding soft political jobs. Labor does not want the city loaded up with incompetents, any more than a good, self-respecting union wants to risk its reputation for good workmanship by sending out a lot of hams who can't do the work properly.

There are six good reasons why labor should back the nine-man council and turn down this log-rolling twenty-one-man amendment:

*First,* because labor is better represented in the present council than ever before and has had better treatment, not only from the two councilmen they endorsed, but from council as a whole.

*Second,* labor's forty-hour policy is being extended as rapidly as possible to all city employees.

*Third,* thousands of dollars in wages have been saved for labor through the peace board, for which Toledo's nine-man council appropriated $5,625 last year for nine months, and $7,250 for the full year of 1937, besides supplying office space.

*Fourth,* our small council recently acted to bring the common labor groups under civil service for the first time. This has always been a rich field for political manipulation. But as a member of council who voted in favor of this provision, I can honestly say that unskilled labor on the city payrolls will be better protected than ever before under this system. Formerly a flock of men were added to the payrolls just before an election and laid off the day after. Now you have a stable, permanent labor group. Of course, there will be some seasonal lay-offs, as there are in other seasonal occupations. But the laborer now gets the same fair deal, under civil service, as any other city employee.

*Fifth,* I've particularly liked the attitude of the city manager and the nine-man council on the matter of consulting labor leaders on major policies of the

(Continued on Page 488)

# Is the Franking Privilege Misused?

EDITOR'S NOTE.—The correspondence below, regarding the use of the postal frank for purposes other than official congressional business, has recently been brought to our attention. It is set forth in full since we believe that readers of the NATIONAL MUNICIPAL REVIEW will be interested in the question raised—for what purposes should the franking privilege be used?

Mr. Floyd B. Cox, Chairman,
National Committee for Adult Education,
Morgantown, West Virginia.

Dear Sir:

I received your circular letter this morning with enclosures, addressed to me as a member of the American Political Science Association, in which you ask me to support your request for a $2,200,000 appropriation from Congress for your program of adult education by writing to my congressmen in Washington.

*In the promotion of this appropriation from Congress you have used the postal frank of a representative in Congress from West Virginia, a practice which should be and is, quite generally, condemned.*

Your letterhead says the object of your committee for adult education is to "strengthen the fabric of democracy." I fully believe in the movement, but I should like to ask you how you expect to "strengthen the fabric of democracy" when you violate one of its fundamental concepts by using the U. S. mails under a federal frank in trying to obtain the money from the public treasury to promote the movement?

The fabric of a great principle consists quite as much of its moral as its political and legal threads. No great principle like democracy is going to be promoted when its advocates disregard and break the moral threads in trying to obtain funds for its promotion. No fabric can be strengthened when the major threads in the fabric are made of such flimsy stuff.

I may be a little old-fashioned in my political thinking, but my experience of forty years in actively promoting good citizenship and governmental reforms has convinced me that the advocates of these political principles must, at least, practice them. I am confident that many of the estimable persons whose names appear on your letterheads will agree with me.

The use of the federal franking privilege by the advocates in promoting the passage of an appropriation measure, especially to "strengthen the fabric of democracy," is to me a convincing reason why I should not support the proposal, much as I believe in a sound adult educational program. The fabric of democracy will not be strengthened by any such practices.

This letter is written not in my official capacity as director of the Citizens League of Cleveland, but as a humble citizen who has the honor to be a member of the American Political Science Association.

I am sending a copy of this letter to the congressmen and senators from Ohio.

Very truly yours,
MAYO FESLER
Cleveland, Ohio

June 9, 1937

*

Mayo Fesler
1307 Swetland Building
Cleveland, Ohio

Dear Mr. Fesler:

I want to thank you for calling my attention to a possible misunderstanding in regard to the use of Congressman Randolph's franked envelopes. After thinking the matter over, I realize that the connection between Mr. Randolph and me might be questioned. As you know, Jennings Randolph is sponsor of H.R. 6485 in the House of Representatives. Because of his many duties it is impossible for him to take care of the flood of correspondence concerning the bill, so I was asked, as chairman of the sponsoring committee, to handle the work for him.

As Mr. Randolph told me, "The franked envelope is a privilege to government officials to be used for the good of the people. I know of no better use of this privilege than to promote legislation for adult civic education as a safeguard for our democracy. Certainly if our government of the people, by the people, and for the people is to survive, something must be done to enlighten the people concerning the increasingly complex problems they must solve. In the next few years

democracy will need all the help it can get from its friends."

Mr. Randolph has suggested to guard against any possible misunderstanding that his official signature be used on all correspondence enclosed in his franked envelopes.

I hope that I have not fallen too short in my attempt to explain why government franked envelopes are being used for this correspondence, and hope that you will feel able to join us in support of this important educational legislation.

Cordially yours,

For JENNINGS RANDOLPH, M. C.
By FLOYD B. COX, *Chairman*
National Committee for
Adult Civic Education

June 22, 1937

*

Mr. Floyd B. Cox, Chairman
National Committee for
Adult Civic Education
Morgantown, West Virginia

Dear Mr. Cox:

I have your reply of June 22nd to my recent letter criticizing the use of Representative Randolph's franking privilege to send out propaganda in the effort to secure an additional appropriation from Congress "to promote adult education."

You say that Mr. Randolph told you that "the franking envelope is a privilege to government officials, to be used for the good of the people." That is not my understanding of the franking privilege. It is intended solely for the purpose of enabling members of Congress to carry on the legitimate correspondence in connection with their duties as representatives. It was never intended to be used in the broad sense which apparently Mr. Randolph has in mind when he says "for the good of the people." Who is to determine what is good for the people? If the Communists elected a representative to Congress, would it be for the good of the people to use the franking privilege to spread broadcast Communistic doctrines?

Do not misunderstand me. I am not opposed to the work of the National Committee for Adult Education; I believe in it; but if it does not have enough merit in it, and enough public support behind it, to get government appropriations without the misuse of the franking privilege, then it ought not to be supported by public funds.

Very truly yours,

MAYO FESLER

June 25, 1937

## TOLEDO'S GOVERNMENT

(Continued from Page 486)

city government. Labor has had its say, and many of its suggestions have been approved. The same is true of all other groups, which is only fair as long as we all pay taxes and benefit by the services our city government renders.

And finally, labor benefits as much as any other group of citizens by more efficient administration of the city's affairs.

Those who live in Toledo are enjoying the lowest property tax rate in sixteen years. Your city government is living within its income and at the same time is paying off its old debts. Your municipal services, such as the fire department, police department, street cleaning, garbage collection, health service, and others are constantly being expanded.

I believe that because labor realizes how much it is benefiting by the way things are being run in Toledo, it will vote to block this attack on the city manager-small council plan. I believe it will vote to keep John Edy in the city manager's office, tending to business and not trying to build a political machine. I believe labor will say that nine councilmen are enough and keep out the old ward system with its patronage battles and costly payment of political favors with the people's money.

We are all a part of Toledo. We all enjoy its advantages. What helps one, helps another. What hurts one, hurts another. Give me, as a private citizen, the kind of government I have helped to give Toledo during the last two years as a councilman, and I'll be satisfied. So will all of those who want genuine good government.

# RECENT NEWS REVIEWED

NOTES AND EVENTS
*Edited by H. M. Olmsted*

**Federal Legislation of 1937 Affecting Cities.**—The relatively barren record of the first session of the seventy-fifth Congress on major legislation of all types is equally notable in connection with federal statutes affecting cities. While legislators in both houses introduced a number of bills which would have created important new federal-municipal contacts the high mortality of these proposals in committee, plus the preoccupation of Congress with a few contentious issues, has produced very little grist from much grain.

Congress did legislate, however, on the programs most important to cities—relief, public works, and housing—and these federal programs, with a few other new Congressional statutes affecting municipal finances, are deserving of notice.

*Relief.* The emergency relief appropriation act of 1937, making provision for the continuation of the Works Progress Administration program in the fiscal year 1937-1938, was signed by the President on June 29, 1937. This statute makes available an additional $1,500,000,000, plus unexpended balances of previous appropriations, for the specific purpose of continuing to provide relief and work relief on useful public projects. The WPA is not to receive this entire sum: the President is authorized to divert such portion as he deems necessary to the Resettlement Administration, now the Farm Security Administration, for loans, relief, and rural rehabilitation. The bulk of the appropriation, however, will continue to be spent in urban areas. Four broad classes of eligible projects are mentioned in the act, and a maximum set for each group, with the proviso that the President may increase the allotment for any class as much as 15 per cent, by transfer of funds from one category to another. Highways, roads, and streets are mentioned as group one, with a tentative maximum of $415,000,000; $630,000,000 may be spent for public buildings, parks, and other recreational facilities, power plants, waterworks and sewerage systems, transportation systems, airports, etc.; the "white collar" and women's projects so essential in city work programs may receive $380,000,000; and finally, as much as $75,000,000 may be spent for the National Youth Administration.

*Public Works.* Title II of the emergency relief appropriation act of 1937 is known as the PWA extension act. The life of the Public Works Administration was extended in the last session of Congress until July 1, 1939. All provisions governing the operation of the PWA program are continued in effect, but July 1, 1939, is substituted for July 1, 1938, as the date on which non-federal projects must be substantially completed. The PWA was also authorized by the new act to use as much as $359,000,000[1] from its revolving fund for allotments on public works projects, and the Reconstruction Finance Corporation was authorized to increase from $250,000,000 to $400,000,000 the amount which it might hold at any one time in securities purchased from the PWA.

No new applications for loans or grants for non-federal projects could be received by the PWA after the date of passage of

[1]As compared with previous authorization of $300,000,000 in 1936.

this act, nor was the federal agency permitted to make allotments for projects which had not already been approved by the PWA examining division prior to that date. A specific limitation has also been placed upon the amounts of loans or grants which can be made for stated classes of projects—school projects and other undertakings for which applications are in various stated stages of progress.

*Housing.* At least four major proposals for federal aid to low-rent housing and slum clearance developments were presented in the first session of the seventy-fifth Congress. The most important of these was the Wagner-Steagall bill to make federal funds available to state and local governments and their agencies for help in financing low-rent housing developments. This bill passed Congress August 21st, though amended out of all resemblance to the original proposal. A United States housing authority is created within the department of the interior. Loans may be made by that body to local public housing authorities for housing or slum clearance and reclamation, up to 100 per cent of the project cost, provided that no annual rent subsidy is requested. Where local housing authorities desire subsidies to reduce rents, however, or accept the alternative of a 40 per cent maximum capital grant,[2] the federal loan cannot exceed 90 per cent of the cost of the project. The loans are to run no longer than sixty years, and bear interest at one half of one per cent higher than the cost of the money to the federal government. On projects where the federal government makes an annual contribution or capital grant, local contributions are required; amounting in the former case to at least 20 per cent of the annual subsidy, and in the latter to a contribution of not less than 20 per cent of the project cost. These contributions will ordinarily take the form of cash, tax remissions, or tax exemptions, and in the case of capital grants the cities may also elect to make their contribution in land or in municipal services or facilities.

Only states with state or municipal housing authorities (now numbering about thirty states) are eligible to have the federal moneys spent within their boundaries. No one state may receive more than 10 per cent of the funds, and the federal government will not conduct any more demonstration projects.

*Municipal Debt Readjustment.* Although all major municipal defaults have now been cleared up, irrigation districts and certain other political subdivisions have pressed for federal action in this field, and several bills were introduced by Representative Wilcox (Florida) seeking to place on the statute books a substitute for the municipal debt readjustment act invalidated by the Supreme Court in a five-four decision last year. One of these proposals, in a revised form, was passed by the House and Senate and signed by the President. The new act is not essentially different from the invalidated statute.

*Flood Control.* One accomplishment of Congress was the passage of an appropriation act making funds available for carrying out the purposes of the flood control act passed by the previous Congress. Federal-local cooperation is the keynote of this program. The flood control activities, which come into the sphere of federal action because they are to be undertaken on navigable waters or their tributaries, will be paid for in part by local contributions. Local governments are expected to provide easements and rights-of-way and to assume claims for damages, though in cases where local expenditures for such purposes would exceed the construction costs the locality will be required to pay only one-half.

Many important municipal problems are thus left over for consideration in the next session. Such action as has already been taken by the seventy-fifth Congress, however, reveals in clear focus the close correlation between federal policies and the activities of municipal governments. The recent improvement in local revenues has not meant that the lines of communication and supply which were created between Washington and the cities in the depression years are being obliterated. Of course, federal funds for relief and "emergency" public works will not

[2] Capital grants as high as 25 per cent may be made from funds of the authority, and a 15 per cent grant for labor may be allotted by the President out of relief funds. Capital grants are limited by the act to a total of $30,000,000. For annual subsidies and operating expenses, the sum of $26,000,000 is authorized to be spent.

continue to be pumped into the cities on as large a scale as heretofore, but the debtor-creditor relation and other contractual relations which have been established between the two levels of government will necessarily endure for a number of years. Moreover, the non-financial relationships, such as co-operation in crime control, in-service training for civil employees, flood control activities, etc., are apparently due to increase rather than diminish.

J. Kerwin Williams

Washington, D. C.

**Women Voters Express Indignation over Congress Civil Service Record.**—The adjournment of the seventy-fifth Congress was made the occasion for declaring a "day of indignation" by the National League of Women Voters.

Miss Marguerite M. Wells, the league's president, and Mrs. George Gellhorn, national chairman of the league's intensive three-year drive in behalf of the merit system, called upon the local leagues, more than 550 in number, to direct public attention to flagrant repudiation of party pledges and party responsibility.

Emphasis was laid on the civil service planks in the 1936 platforms of both the Democratic and Republican parties, in contrast to which was the Senate's failure to pass the Ramspeck bill to put all postmasters under civil service, which had passed the House, and the vote of 73 out of 84 senators—nearly all of both parties—relieving the better paid appointees, called for by the wages and hours bill, from civil service requirements. The league also criticized the fact that Congress adjourned without acting on the report of the President's committee on administrative management, which included personnel recommendations which, if accepted, would have "gone far toward transferring personnel from spoils to merit."

The House of Representatives came in for its share of censure, and the vote of individual representatives and senators on patronage measures was sent back to the local women voters' leagues in their home districts.

**Few Exceptions to Approved State Social Security Laws.**—Nearly all the states and territories now have approved laws fitting into the national program for unemployment compensation, old-age assistance, aid to the blind, and aid to dependent children, according to the American Public Welfare Association. The record on unemployment compensation laws is now 100 per cent for all forty-eight states and three territories. With recent approval of the new Missouri and Illinois laws, nearly 21,000,000 workers are covered under this provision. Old-age assistance plans have been approved in fifty jurisdictions, aid to the blind in thirty-six, and aid to dependent children in thirty-seven. Plans for all three types of public assistance have the Social Security Board's sanction in thirty-four states; Virginia is the only state without a single approved plan.

In addition the United States Children's Bureau has approved maternal and child welfare service plans of twenty-five states, child welfare service plans of sixteen states, and plans for services to crippled children in eight states.

**Nine-State Conference on Uniform Trailer Laws.**—Representatives from nine states (New York, Connecticut, Pennsylvania, Delaware, New Jersey, Massachusetts, Rhode Island, New Hampshire, and Vermont), federal officials, and members of the Council of State Governments met in New York City on September 11th to discuss methods of providing uniform regulations to govern the use of motor-car trailers in regard to parking, sanitation, highway safety, registration, and taxation. The conference was called by the New York Joint Legislative Committee on Interstate Coöperation. Assemblyman Harold C. Ostertag, chairman of the latter committee, stated that he would recommend that model uniform legislation be submitted to the forty-eight states for approval. The consensus of opinion appeared to be that the trailer movement should not be hampered by unduly stringent legislation. It was agreed that the most important immediate problem was sanitation.

A recent survey of the American Municipal Association is reported to indicate that inhabitants of trailers are at present enjoying exceptional freedom from taxation, cities having thus far made little attempt to exact payment for fire and police protection and other governmental services.

**New Mexico Defeats Amendments.**—Five proposed amendments to the constitution of New Mexico were defeated at an election on September 21st. The amendments would have abolished the two-term limit for state and county officers, increased the pay of state legislators from $5 to $10 a day, legalized the absentee ballot, and provided for a $1,250,000 institutional building bond issue.

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**Arkansas Advertises Civil Service Jobs by Radio.**—For more than a month the Arkansas state civil service commission has been broadcasting announcements of job vacancies over news radio and other stations in brief statements between programs, the Civil Service Assembly of the United States and Canada reports. The announcements are non-technical in form.

The federal government and the state of New York are two other of the few jurisdictions that have used radio to get in touch with prospective candidates for civil service positions. According to Dr. William E. Mosher, radio announcement of available jobs "when coupled with other methods results in a much more complete coverage than can otherwise be obtained."

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**Four States Ratify Connecticut River Compact.**—Legislatures of New Hampshire, Vermont, Connecticut, and Massachusetts have each ratified the Connecticut River Valley flood control compact, according to *State Government,* which remarks, "Because of the divergence in potential benefits it was not easy to prepare a compact which would be mutually satisfactory to all four states; but it was drawn up and all four have approved it. Recently they filed a petition for congressional approval as required by the constitution." The *Boston Evening Globe* hailed it as an outstanding achievement in the coöperation of sovereignties and in democratic self-government.

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**Council-Manager Plan Developments.**—Toledo, Ohio, by a popular vote of 37,035 to 19,211, almost two to one, decided on September 21st to retain its present city manager charter as against a proposed plan which would have substituted a council of twenty-one elected from wards for the present council of nine elected by proportional representation. (See also p. 500.)

On September 14th Berkley, Michigan, voted on a manager charter. The vote was a tie and the city attorney declared the charter defeated.

The Bureau of Municipal Research of Des Moines, Iowa, (population 142,000) reports that the city manager movement "has received a great impetus from the assessment muddle and more recently the tax budget boosts by the present city council. The bureau is supporting the Commonwealth Club in its efforts to obtain sufficient signatures for a petition for a special election to vote on the plan. The chance for such a vote this fall seems good.

In Yonkers, New York, (135,000) the voters on November 2nd, at the general election, will for the second time this year pass on the question of a city manager government, unless recent litigation upsets the program. The common council unanimously passed an ordinance placing the city manager committee's new charter proposals before the voters for a referendum, and Mayor Joseph F. Loehr has also approved it.

Elmsford, New York, (2,935) will also vote on a manager plan charter on November 2nd.

Gallatin County, Montana, (16,124) at a special election on August 24th, defeated a proposal to adopt the manager plan, by a vote of 2,422 to 887.

In Glasgow, Scotland, a proposal for a manager has been made by Councillor Gray, leader of the opposition on the town council. He cites higher tax rates paid in Glasgow as compared with Edinburgh and Dundee.

Recommendations submitted by a composite committee created a year ago in Montreal, Quebec, and which will presumably be considered by the charter commission which is to be appointed, include the appointment of a general manager or director of services, reduction of the number of aldermen to about fifteen and vesting them with legislative duties only, the appointment of a civil service commission, and the cessation of capital borrowing without referendum. An interesting suggestion as to the appointment of the manager is that it be made by a "senate" of five members, one to be chosen by the city council, one by the professional bodies, one by the labor groups, one by the civic and business groups,

and one by the financial group; the senate would be responsible for the conduct and dismissal of the manager, and would serve without pay.

**Semiofficial Legislative Committee Serves Two Wisconsin Communities.**—The city of South Milwaukee, Wisconsin, and the adjoining town of Oak Creek have a joint legislative committee, which holds regular weekly public meetings during the sessions of the state legislature, to consider and express opinions as to proposed legislation concerning the two municipalities and their citizens. According to City Attorney Clarence J. O'Brien of South Milwaukee, writing in the September issue of *The Municipality*, organ of the League of Wisconsin Municipalities, that city began in 1935 with a committee of nine members, appointed by the mayor. When the time came for appointing a committee for the 1937 legislative session all members of the 1935 committee willingly accepted reappointment. The common council of South Milwaukee invited Oak Creek to coöperate, and a joint committee of fifteen was formed, nine from the former and six from the latter. The nine from South Milwaukee comprised the superintendent of schools, one board of education member, the chairmen of the council finance committee and of the rules, laws, and ordinances committee, one member from the city at large, and one member each from the Taxpayers Alliance, Kiwanis Club, Business Men's Association, and the Polish Centrala. The six from Oak Creek included a member of the town board, a member of a common school district board, the chief of the volunteer fire department, a factory superintendent, a mechanic, and a carpenter; four of the members also engaged in farming. Twelve meetings were held, at which 132 bills were considered, the committee favoring seventy-four bills and two joint resolutions and opposing forty-eight bills and four joint resolutions. Thirty of the bills favored by the committee became laws and one resolution was adopted, while forty-two of the forty-eight bills opposed failed to pass.

**American Municipal Association Convenes.**—The two chief topics discussed at the fourteenth annual convention of the American Municipal Association, in Chicago, October 13th to 15th, are municipal finance, including federal loans and grants, state-collected taxes for local purposes, state supervision of local finance, and property tax exemptions; and local government personnel problems, including pre-entry and in-service training under the federal George-Deen act, experiments in contracting for technical personnel services, and retirement and pension plans and proposals. Airports and trailers will also receive a fair share of attention. Representatives of the forty state leagues of municipalities which the association represents are expected.

**Rutgers University Establishes Public Safety Courses.**—Rutgers University, at New Brunswick, New Jersey, has recently announced the establishment of a bureau of public safety, which functions as a branch of the university extension division. The bureau was set up as the result of a survey of the field of public safety by university officials, following the close of the first traffic officers' training school ever held in New Jersey, which was conducted at Rutgers in April of this year. The school is stated to have marked the first time that adult education in safety, along the lines of short-course instruction, had ever been tried in the state. It was well received and attended by fifty-four selected police officers from thirty-eight New Jersey communities.

The program of the bureau will include traffic control, criminal control, engineering for safety, and home safety. The bureau head is Lawrence B. Tipton, who had charge of the school in April as director of traffic officers' training schools throughout the nation for the Northwestern University Traffic Safety Institute.

## COUNTY AND TOWNSHIP GOVERNMENT

*Edited by Paul W. Wager*

**Constitutional Amendment for Consolidation of Local Government Units Proposed in Kentucky.**—Kentucky proposes to take the first step toward the consolidation of local government units and services in November 1937, when the people will vote upon a pro-

posed amendment to the state constitution permitting the legislature to merge practically all local agencies in the several counties. The resolution which passed the legislature in the regular session of 1936 reads in part: "Within the territorial confines of counties (as now existing or as hereafter established) the general assembly may by legislation of state-wide application, or of application according to classification based on population, retain, modify, and consolidate any or all governmental bodies, offices, agencies, and institutions; may enlarge, curtail, modify, consolidate, redefine, and redistribute the powers, duties, functions, and jurisdiction of governmental bodies, offices, agencies, institutions, and courts, and may provide the number of judges for such courts; and may abolish all governmental bodies, offices, agencies, and institutions, and may abolish all courts inferior to the circuit court and may set up new ones in their stead; and may provide the method of selection of all officers, their compensation, and the means and methods of its payment."

This proposed amendment is popularly known as the "Louisville amendment," since it was sponsored in the legislature by representatives from the state's largest city. Louisville and Jefferson County have experienced considerable growth in recent years, and in addition, several satellite urban developments have grown up around the state's metropolis. In a very real sense Louisville has begun to realize its metropolitan existence. Conflicts of jurisdiction, as well as duplication of services and costs, have become noticeable. Thus, the amendment was originally designed to permit Louisville and the county in which the city is situated to combine their services and alter their governmental structure as needed.

Interestingly enough, the amendment permits rather broad alterations in local governmental organization and powers. While the effects of the proposal are confined to the limits of a county, it certainly permits city-county consolidation in any form. Undoubtedly the amendment will be interesting to other larger cities of the state, including Covington, Ashland, Paducah, and Owensboro. There have been some expressions of opinion favoring city-county consolidation in some of these urban areas.

J. W. Manning

University of Kentucky

**Reorganization in Erie County, New York.**—The board of supervisors of Erie County, New York, on September 28th voted to submit to the people at the general election this year a plan for county reorganization under the selective form authorized by the Buckley act (chapter 863, laws of 1937). To be adopted it must receive a majority of the votes cast on the question in Buffalo and in the county outside of Buffalo, counted separately.

The plan provides a board of fifty-four supervisors (the present number) elected from the towns and city wards, a county manager appointed by the board, and a comptroller elected at large. Departments of finance, of audit and control, and of public welfare are required. The board is given powers of local legislation and may adopt and amend county acts. The budget system of the act is adopted except subsection 6 of section 400, the "pay as you go" subsection. The county clerk and the sheriff continue to be elective.

The plan does not disturb the functions or officials of the cities, towns, or villages of the county. It gives to the general county government such new features as local experience has shown will strengthen and improve the system which Erie County has.

This action of the board of supervisors is the culmination of a movement, begun in 1931, when the board requested the Buffalo Municipal Research Bureau to make a survey of the county government. It has been marked by many cross-currents, including a legislative commission, two legislative bills, and, at the last moment, a disturbing political complication. The crucial point about which the arguments raged was the county executive. The decision against an elective president and in favor of an appointive manager will, in its indirect as in its direct results, have a strong influence, it is believed, on local government generally in this vicinity.

Sidney Detmers

Buffalo Municipal Research Bureau

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**Schenectady County, New York, to Vote on Manager Charter.**—Another New York county to vote November 2nd on a county manager charter is Schenectady. As in the case of Erie County, noted above, one of the selective forms of county government recently made possible by the Buckley act has

been submitted to the voters by action of the board of supervisors.

Under the proposed charter legislative powers are in the hands of the board of supervisors, which will be elected and organized as at present. Administrative authority is delegated to a county manager, appointed by the supervisors, who will appoint the heads of departments and draft the county budget, to be submitted to the supervisors for approval.

All elective officers except the board of supervisors, county judge and children's court judge, district attorney, and surrogate are abolished and their functions transferred to department heads.

The new charter provides for a referendum, to be held in 1938, on the substitution for the present board of supervisors of a county council of eleven, one elected from each town and six elected at large from the city of Schenectady.

In order to be adopted the charter must receive a majority of the votes cast in the county, in every city containing more than 25 per cent of the county's population, and in that part of the county outside such cities.

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**Recent Legislation in New Mexico.**—Among the laws applying to county and local governments passed by the recent session of the New Mexico legislature are the following:

An act (chapter 219) providing for the creation of governmental subdivisions of the state to be known as soil conservation districts.

An act (chapter 222) providing for the creation of governmental subdivisions of the state to be known as wind erosion districts.

An act (chapter 114) permitting the employment of rural school supervisors in any county in the state, subject to the approval of the state board of education. Heretofore such supervisors have been permitted to be employed only in counties whose rural teachers numbered fifty or more.

An act (chapter 112) providing that school teachers, supervisors, custodians, nurses, principals, superintendents, or other professional employees over the age of sixty who have been employed in the public schools of the state for not less than twenty-five years and in the employ of the public schools of the county for not less than ten years, may be retired and receive annually one-half of the annual average salary paid during the five years preceding such retirement. Such annual allowance shall not be less than $600 nor more than $1500.

An act (chapter 20) providing for the appointment by the judge of each judicial district of five members of the county board of education of each county of the judicial district annually instead of biennially as heretofore.

An act (chapter 71) providing for the election of justices of the peace and constables at the general elections instead of at special elections in January of the odd-numbered years.

An act (chapter 82) requiring sheriffs, deputy sheriffs, and other peace officers of the several counties to be paid mileage at the rate of eight cents per mile while other officials may charge only six cents per mile, payable out of public funds, for using their own conveyances.

An act (chapter 52) providing that with reference to the proposition of building a court house or a jail or a bridge, any bond issue submitted therefor, if defeated, may not again be submitted until after two years unless a petition requesting another election, containing the names of qualified electors of said county equal to 10 per cent of the vote cast for governor in the last preceding election, shall be presented to the board of county commissioners; provided, however, that in no event shall more than two elections upon any proposition be held within any two years.

Rupert F. Asplund
The Taxpayers' Association
of New Mexico

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**Planning Commissions Provided for Pennsylvania Counties.**—Rural planning and zoning were given renewed impetus in Pennsylvania during the recent session of the legislature. Article VI of the original county code relating to county planning commissions was amended to include all counties. The new acts, No. 434, relating to county and regional planning commissions, and No. 435, dealing with county and regional zoning commissions, also provide for boards of adjustment.

Act 434 provides for the appointment by the commissioners of a county planning commission of nine persons who shall be residents of the county. Three commissioners will serve for two years, three for four years, and three for six years. Their successors are to be appointed

at the expiration of their respective terms for six years. They are to serve without compensation and to make annually to the county commissioners a report of their transactions and recommendations. They may employ engineers and other persons whose salaries, wages, and other necessary expenses shall be provided for by the county commissioners.

All resolutions of the county commissioners relating to the location of any public building in the county and the locating of highways, streets, parks, playgrounds, and other public grounds, making or altering the county plan, must be furnished the county planning commission before passage and adoption in order that the planning commission may make a report or suggestions on such resolutions. Likewise, all plans for streets or highways for public use, all plot plans and replots of land laid out in building lots, and other portions intended for public use, or the use of purchasers or owners of lots within the county limits except those located within any city or borough of the county, must be submitted to the county planning commission and approved by it before being recorded.

Act 435 provides for the appointment by the county commissioners of any county of a permanent county zoning commission of three, five, or seven members. The act also provides that the county commissioners of two or more counties may provide for a joint commission which shall be the zoning commission of each county. In any county where a planning commission has been established the commissioners in lieu of establishing a zoning commission may confer upon the planning commission the additional power of serving as the county zoning commission.

It shall be the duty of the zoning commission to make for the county commissioners zoning plans, including the full text of the zoning ordinances and maps representing the recommendations of the commission.

*Monthly Bulletin*, Pennsylvania Department of Internal Affairs

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**Durham County, North Carolina, Saves with Manager.**—Durham County adopted the manager plan of government in August, 1930. At that time the county was faced with an operating deficit of $33,000, a floating debt of $533,000, and a bonded debt of $1,797,000. Delinquent taxes amounted to $550,000 and on these there was being collected only $6,000 a year. Each department was primarily interested in its own affairs and appropriations, and there was no uniformity or centralized responsibility. The commissioners, busy with their own affairs, had little time to devote to the complicated problems of government, and public criticism did not conduce to higher consecration to public service.

The picture today is an entirely different one. Deficit and floating indebtedness have been wiped out, delinquent taxes cut to $162,700, and the total debt reduced from $2,539,000 to $1,632,000. The tax rate has been cut from $1.10 to 50 cents for the past three consecutive years. This year, with the addition of social security grants, it was advanced to 63 cents, one of the lowest rates in the state. Yet no major county service has been discontinued—except those taken over by the state—and several new services and activities have been undertaken.

From *Popular Government*
Chapel Hill, N. C., August 1937

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**County Managers for Irish Free State.**—The *Municipal Journal and Public Works Engineer* (London, August 20, 1937) reports that the government of the Irish Free State has under consideration a bill with the object of replacing all county councils by a manager and an elected advisory body. The government is of the opinion that an efficient administration of growing public services by county councils is impossible under the present system and that the success of the managerial system in areas where it is already being operated has justified the experiment and also its application to the entire Free State. Urban councils will not be affected at present.

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**Council of San Diego, California, Orders Vote on City-County Consolidation.**—The San Diego city council recently paved the way for a vote of the people on whether they wish a consolidated city-county government separate from the rest of the county, when it adopted a series of resolutions bearing on the consolidation question.

According to the Escondido (California) *Advocate* of August 27th, under the terms of the resolution passed, the consolidation question would not be submitted until the spring elections of 1939. However, another resolution

instructs the city attorney to prepare an ordinance setting up the form of petition required if the people wish to initiate the consolidation question before the next general municipal election.

Under this the people would be asked to vote first on whether they wanted such a consolidation and, if they do, to vote for fifteen freeholders to draw up the necessary charter. Names of the freeholders would appear on the ballot but if a majority of voters decided against consolidation none would be elected.

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**Westchester County, New York, to Vote on New Charter.**—The Westchester League of Women Voters, the Westchester Association, and other civic groups are actively campaigning for the adoption of a new charter by their county at the polls on November 2nd. The proposed charter, drafted by a special committee of the Westchester County board of supervisors and passed by the state legislature at its recent sessions, is described in this department for July 1937. One of its most important provisions is that for a chief executive, elected at the polls.

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**Conservation District Formed in North Carolina.**—Creation of the Brown Creek Soil Conservation District in Anson and Union Counties represents the first such conservation unit to be created under the state soil conservation districts law passed by the state legislature in 1937. It may be the first of the kind established in the United States.

The district is a coöperative association of landowners engaged in carrying out a conservation program. Establishment of the district was asked by the landowners in the area. Of the 385 landowners, 360 voted for the cooperative association, one against it, and the others did not vote. Administrative officials of the district have authority to act as agents of the federal government in promoting erosion control and other soil conservation practices.

## TAXATION AND FINANCE

*Edited by Wade S. Smith*

**Seattle Cash Deficiency Increases.**—Increasing difficulties are evident in the current account of Seattle, Washington, which operates under a 15-mill tax rate limit created by initiative measures effective since 1933. By the first of August warrants and cash overdrafts in the current fund had passed the $5,000,000 mark. As of December 31, 1936, current warrants and current cash overdrafts totalled $4,871,555, increased from $1,269,065 at the end of 1930 and from $2,986,296 at the close of 1932, the last year before the tax rate limit went into effect.

Fortunately for the city, almost all of its debt was contracted prior to the enactment of the tax limit, and so is payable as to principal and interest from taxes levied outside the limit. Moreover, about two-thirds of the debt is for utility purposes and is self-supporting, so that the tax-supported debt is moderate for a city of this size (slightly over $50 per capita compared with a group median of about $82 per capita). Consequently, almost all of the 15 mills may be used for operations.

Even with debt serviced largely outside the 15-mill limit (the 1936 tax rate was 20.57 mills) available funds do not suffice to meet operating requirements at the prevailing level of expenditures. The city effected considerable retrenchment in the early depression period, and in recent years costs have shown a slightly upward trend. At no time have "economies" been deep enough to bring proposed expenditures in line with permitted levies and actual miscellaneous revenues, and as a result the city has resorted to the sharp overestimating of anticipated revenues for budget-balancing purposes. Since 1931 there has been a measurable spread between anticipated and realized non-tax revenues, and in 1935 estimates were more than one million dollars in excess of receipts, reduced to slightly under three-quarters of a million last year. Since miscellaneous anticipated revenues in the 1937 budget are more than double the amount of such revenue actually realized in 1936, a further pyramiding of the current deficiency is prospective for the present year.

Although the Washington tax rate limit law permits the levying of taxes outside the limit for operating purposes, when authorized by popular vote, no efforts have been made to date to use this method to drag the city from its chronic habit of deficiency operations. Chief reliance, both of Seattle citizens and public officials, seems to be put in the hope that at some future date replacement revenues will be provided by the state, or the

state will assume the accumulated indebtedness for city operations under some guise or other. This has recently been done for the overlapping King County, which has carried the lion's share of relief costs at the expense of its own current funds and is now to be bailed out by the state's assumption of a large amount of relief expenditures.

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**San Francisco Again Collects.**—The record of the city and county of San Francisco in collecting current and delinquent taxes has been noted frequently in these columns. In spite of tax sale moratoria imposed by the state legislature at various times in recent years, this municipality showed a peak current tax delinquency of only 5.4 per cent on the 1933 levy. For the 1937 levy (year just closed on June 30, 1937) delinquency had declined to 1.45 per cent, a level .05 points under that of 1930 and a close approximation of "normal." As of June 30, 1937, less than $1,800,000 in delinquent taxes of all years remained outstanding, compared with the 1937 levy of approximately $31,000,000.

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**South Dakota Counties Fund School Loans.**—At least three South Dakota counties have attempted funding operations under a law adopted by the last session of the state legislature which provided for assumption by the taxpayers of school moneys held as trust funds and invested by the counties in farm mortgages and bonds.

The legislation and consequent funding operations arise from the rather unusual provisions made for the use of the federal land grants at the time of the adoption of the South Dakota constitution. These funds, which serve as a permanent endowment for school aid, are in most instances administered by the state. But South Dakota provided that the moneys might be prorated among the various counties to be held as county perpetual school funds and invested by the counties in first mortgages on farms and in bonds of the state and its subdivisions. In practice the funds have been administered by special county boards of trustees, under general laws administered by a state public lands and school funds commission. The counties must pay interest on the loans from the state perpetual school fund, and are responsible for any losses sustained because of poor investments or otherwise. Further, the moneys were advanced by the state to the county funds with definite maturities.

During the course of the years it appears that the fund trustees fell into the same difficulties in taking mortgages that beset the private loan and mortgage companies elsewhere. Not only were mortgages made in excess of conservative standards and on other than high-grade risks, but because the money was in the last analysis state money delinquents successfully urged delay in collections. This laxity in fund administration, coupled with the straightened condition of county finances arising from the prolonged drought and poor prices for farm products, has led to unsuccessful efforts to have the legislature compromise the county liability.

In 1935 the legislature enacted a law (chapter 176, l. 1935) permitting the counties to apportion delinquent perpetual school fund mortgage principal and interest on a twenty-year basis. In the last legislative session, another aid for the distressed counties was provided in a statute (chapter 77, l. 1937) which permitted the funding of floating debt with twenty-year bonds or the levying of an annual tax sufficient to retire the indebtedness by 1944. Perpetual school fund indebtedness was held by the state supreme court in a test case brought by Strool County as within the meaning of the floating debt covered by the statute. Prior to the enactment of the statute several counties had unsuccessfully urged in the courts that the fund loans should be the liability of the fund trustees as individuals.

Day, Marshall, and Codington Counties all offered new bond issues for the purpose of funding perpetual school fund loans during the early part of September, and in the case of Codington County at least the bids were accepted and the bonds slated for issuance.

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**State and Federal Taxation.**—Until the turn of the century, there was substantially no conflict between federal and state tax systems. Except in certain war-time emergencies, the central government got along nicely on receipts from custom, sales of public lands, and a few excise taxes; state governments subsisted comfortably on property taxes.

Expansion of governmental activity, and "tax conflicts," began to make their appearance

early in the present century. They were destined to be vastly intensified during and immediately after the World War, and to go definitely out of bounds in the trying 1930's, as all agencies of government, frantic for funds to finance projects incident to the depression, invaded any and all nooks and crannies where tax dollars might be lurking, regardless of the fact that many of these revenue sources had been previously pre-empted by other agencies.

The result today is a mystic maze, where no man may know how much he pays in taxes—or why. Only one revenue source—the customs—may be said still to be reserved solely for the federal government. In the field of state taxation, the property levy is the only potential revenue-source which the federal government has not invaded, directly or indirectly.

Overlapping excise and sales taxes, tobacco taxes, liquor taxes, motor vehicle and gasoline taxes—and a myriad of others—are the rule today, and not the exception. This critical situation is in the forefront of public thought, as a conference of governors seeks presidential assistance in calling a nation-wide conference to plan a coördinated tax program.

In the absence of such nationally-planned coordination, it seems plain that the individual states, acting separately, cannot solve the problem. The many legislative sessions held in 1937 furnished ample evidence to this effect. Literally hundreds of new (or increased) tax levies were enacted into law, and almost all of this legislation served to increase tax conflicts and to intensify the prevailing trend towards concealed—rather than direct and forthright—taxation.

Statistical summaries serve a useful purpose in indicating the extent of new "tax conflicts" voted in 1937. A report last spring by *Editorial Research Reports* ("Coördination of Federal and State Tax Systems," April 5, Vol. I, 1937), detailed eight separate categories in which there was important overlapping of the federal and state tax functions.

The sources were the income tax, personal and corporate; estate and inheritance taxes, general sales taxes, gasoline taxes, motor vehicle taxes, liquor taxes, and tobacco taxes. In the fiscal year 1935 the federal government tapped these sources to the tune of $2,613,680,000, and state governments collected $1,654,769,000.

Under 1937 state enactments, the states' "take" from at least six of these taxes will be substantially increased in years to come, and no steps have been taken to relieve these sources of federal taxation.

Personal income taxes, new or increased, were voted in ten states, but decreased in only two; corporation income taxes were imposed or increased in eight states and reduced in one; sales taxes were increased or extended in eighteen; tobacco taxes were extended in seven; liquor taxes were increased in ten states and reduced in four; and gasoline taxes were raised or collection methods strengthened in twelve states and lowered in five.

BRYAN COLLIER
Editorial Research Reports

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**River Pollution Ended by Work Project.**—One of the most commendable of the projects to come to this department's attention is outlined in a recent WPA release, describing mine-sealing operations of relief workers on Ohio and Potomac River tributaries.

There are usually any number of odd improvement jobs lying around the doors of any community, the sort of thing which ought to be remedied but somehow never is. Anyone who has lived or driven through the soft coal regions of the east is aware of a common nuisance of this type—creeks and rivers stained a rusty red from the sulphur and iron laden seepings from old mines. Actually, such seepage is not only unsightly, but the acid discharged is destructive to bridges and other improvements and costly in terms of purification plants to all communities and industries which must use the water so polluted for domestic or industrial consumption.

It was estimated by engineers that the acid discharge flowing down the Ohio and into the Mississippi amounted to about four million tons, of which half was from abandoned workings. The cost of resulting water purification was estimated at $800,000 in one fifty-mile stretch of the Monongahela alone, while destruction to bridges, river abutments and locks, steel hulls of vessels, and industrial machinery with which the water came in contact probably runs into the millions. There is also a gradual ruin of grazing lands and the pollution of water formerly potable for livestock, as well as the destruction of river fish, all difficult of evaluation.

Under the WPA project more than one thousand abandoned soft coal mines, with approximately fifty thousand separate open-

ings, have been sealed. They are located in Pennsylvania, Ohio, West Virginia, and Kentucky. Additional work is also under way in Indiana, Missouri, and Alabama. The cost so far is about $3,000.000, with a peak employment of over five thousand men and a present employment of about three thousand. Results after mine-sealing are reported as showing a reduction in acid content from a minimum of 50 per cent to well over 90 per cent in some cases. Here, then, is a job which local initiative would probably never have tackled, except for the necessity of putting men to work and the happy thought of someone to remedy a condition about which nearly everyone in the affected communities complained.

**Assessors Meet in New York.**—The fourth annual conference of the National Association of Assessing Officers will be held in New York City October 20th to 22nd. Formal talks, round tables, and short summaries of specific improvements recently made in assessment practice in various communities, and a discussion of the report of the committee on principles of assessment practice will constitute the program. Among the topics discussed by speakers will be assessment organization, aerial photography for tax map making, capitalized income as a basis for assessments, and the graded tax plan.

## PROPORTIONAL REPRESENTATION

*Edited by George H. Hallett, Jr.*

**Toledo Retains Its P. R. Council.**—At a special election on September 21st Toledo, Ohio, voted two to one to retain its present council-manager government. The final returns show a vote of 37,035 to 19,211 on fundamental charter amendments designed to abolish the small nine-man council elected by proportional representation and replace it with a twenty-one man ward-elected body. Other changes proposed included the election of the law director by direct popular vote and the revision of some of the civil service provisions in the municipal charter. While the office of city manager was not directly involved in the election, it was generally believed that the position now filled by John N. Edy would go to a political appointee if the ward council plan won out.

Favoring the charter changes were a host of small-fry politicians and their followers, the Ku Klux Klan, nearly all Polish-American voters in two wards who felt that under P. R. they were left without councilmanic representation,[1] most of the colored citizens for the same reason, the C. I. O. and its leaders,[2] and the gambling element in the underworld which has been powerless to operate under the present administration. Neither major political party participated openly, both maintaining a "hands off" attitude.

The campaign to maintain the present government was successfully conducted by the City Manager League—a nonpartisan citizen organization established in 1934 to help secure the city manager plan of government in Toledo.

Three years ago when Toledo adopted its new form of government it followed Cincinnati in adding to the usual manager plan a small council elected by P. R. The new charter was then adopted by a majority of approximately five thousand votes. Six months later, before the new form of government had been tried, political opponents forced a repeal election. The league waged a second campaign in defense of the manager plan and succeeded in having it retained by a majority of nine thousand. The recent election in Toledo—coming twenty months after the new government took office—resulted in a far more decisive victory for the supporters of nonpartisan, nonpatronage government. The largest number of voters who ever turned out for a special election in Toledo rolled up a majority that doubled even the margin obtained in the repeal campaign in 1935.

Impartial observers attribute the league's victory in a large measure to the popularity of the present city council and the confidence of the voters in the administration of City Manager Edy.

The campaign itself was marked by unusual bitterness and by direct attacks on the city manager, the league, and especially on the

[1]The leading Polish candidate lost out by four votes at the first P. R. election two years ago. —Editor.

[2]This opposition was in spite of the fact that organized labor elected two able representatives out of nine on the P. R. council.—Editor.

P. R. method of voting. The league countered by presenting evidence of the efficiency of the present government and the fine record that it had made in less than two years time and concentrated on a drive to "get out the vote."

The campaign to maintain the small P. R. council was featured by the active participation of young people who built up a city-wide ward and precinct organization and conducted a house-to-house canvass of voters. A headquarters staff of twenty, with one exception all under thirty-five years of age, put on an aggressive campaign of public education, using newspaper advertising, direct mail, pamphlets, a well organized speakers' bureau, a "first voters" club, a bandwagon stunt, community "sings," and frequent radio broadcasts.

ALLEN H. SEED, JR., *Executive Secretary*
Toledo City Manager League

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**Yonkers Vote Set for November 2nd.**— As a result of petitions filed by the Yonkers City Manager League under the state's new charter initiative law, the Yonkers common council has set November 2nd as the date for a referendum on the league's proposed charter amendment, referred to in this department last month. The amendment, if adopted, will put the city manager plan into effect January 1st and proportional representation for all council elections thereafter, beginning in 1939.

Opponents of the plan have turned to the courts, alleging legal flaws in the new law and in the City Manager League's application of it. The lowest court has ruled against them and upheld the referendum, although it questioned the validity of certain nonessential provisions of the amendment. The decision has been appealed.

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**P. R. Brings Better Candidates in New York City.**— As the October 5th deadline for filing council petitions in New York City approaches, one great benefit of the new proportional representation plan of election is already apparent. As in other cities it has proved possible to induce a number of outstanding citizens to run for the council, men and women who would never have considered running for the board of aldermen in the boss-controlled elections of the old plurality system.

A fusion board of strategy, known as the Citizens Nonpartisan Committee, with Judge Samuel Seabury as chairman, has brought forward a representative ticket of prominent citizens for all the five boroughs to make the campaign for council in conjunction with the campaign to re-elect Mayor LaGuardia. The ticket represents nearly all shades of political opinion, Republican, independent Democratic, Labor, and Socialist, and makes its appeal to all the principal elements of the city's population except the Tammany machine and its allies. It includes such leaders as William Jay Schieffelin (Manhattan), veteran chairman of the Citizens Union and chairman of the board of Tuskegee Institute; Mrs. Mary Simkhovitch (Manhattan), director of Greenwich House and member of the New York City Housing Authority; Mrs. William B. Earle, Jr. (Brooklyn), only woman member of the city charter commission which drafted the new charter, former executive director of the Women's City Club, and former chairman of the municipal affairs committee of the New York City League of Women Voters; and Frank S. Hackett (Bronx), founder and headmaster of the Riverdale Country School.

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**P. R. League's Annual Meeting.**—The annual meeting of the Proportional Representation League, Incorporated, now amalgamated with the National Municipal League, will be held in connection with the final sessions of the National Municipal League convention in the Hotel Seneca, Rochester, New York, on November 20th, just after the first P. R. election in New York City. The entire morning will be devoted to a discussion of the problems of representation. This will be followed by a luncheon devoted to P. R., sponsored by the P. R. League, the National Association of Civic Secretaries, and the Rochester City Club, which will conclude the sessions of the convention. It will be addressed by John H. Humphreys, secretary of the British P. R. Society, who is generally regarded as the foremost authority on proportional representation in the world, and Judge Samuel Seabury, whose investigation of the Walker administration in New York City led to the election of Mayor LaGuardia and the adoption of P. R. and the new city charter.

A short business meeting for the election of P. R. League trustees and a report on the notable progress of P. R. during the year will take place during the morning session.

## GOVERNMENTAL RESEARCH ASSOCIATION NOTES

*Edited by Robert M. Paige*

**Governmental Research Association.**— The twenty-sixth annual conference of the Governmental Research Association was held from August 30th to September 2nd, on the campus of Cornell University at Ithaca, New York. For many years prior to 1933, the Governmental Research Association held its annual meetings in conjunction with those of the National Municipal League. Beginning in 1934 the association began to hold separate conferences during the summer vacation season, and at some more or less secluded spot. The Ithaca conference this year was better attended than the preceding conferences in Ann Arbor, Hamilton, and Casenovia, New York, and it was generally agreed that the program too was more nearly satisfactory.

The current issue of the *Governmental Research Bulletin,* monthly news letter of the association, contains a brief summary of the conference proceedings, the conference photograph, and a list of those in attendance.

Most of the sessions were informal, extemporaneous discussions, but at a few of the sessions prepared papers were read. Some of these will be mimeographed and made available to all members of the association. Among those who addressed the conference were the following: Frederick P. Gruenberg, John F. Sly, J. L. Jacobs, C. E. Rightor, Frederick L. Bird, Clifford W. Ham, Russell Forbes, Carl Shoup, and Edmund Ruffin.

Professor M. P. Catherwood, of the department of agricultural economics at Cornell, invited the association to meet on the Cornell campus, and the association is deeply indebted to him for making available the excellent conference facilities afforded by the university. Professor Catherwood is a specialist in town and county government administration in New York State.

*Award Announced.* At the annual business meeting of the association, held on the evening of August 31st, the results of the 1936 award competition were announced. The winner this year was J. Lyle Cunningham of the staff of the department of budget and research of the county of Los Angeles. His report on *The Medical Care of Indigents Outside of County Institutions* was cited as "the most noteworthy piece of governmental research completed by a member of the Governmental Research Association during 1936." Honorable mentions were given to J. M. Leonard of the staff of the Detroit Bureau of Governmental Research, and to Leyton D. Carter, director of the Cleveland Foundation, for their reports on *The Mental Testing of Detroit Policemen* and *Public Recreation in Cleveland,* respectively.

Judges in the 1936 competition were William Anderson of the University of Minnesota, Willard F. Day, manager of Henrico County, Virginia, and the late Clyde L. King of the University of Pennsylvania.

The GRA award is a certificate suitable for framing. The first award competition was conducted in 1933 and was won by H. C. Loeffler. The 1934 award went to Lent D. Upson and J. M. Leonard, and the 1935 award to Herman Kehrli.

*New committeemen.* At the annual business meeting of the association announcement was also made of the results of the election conducted by letter ballot, using the Hare system of proportional representation, to select members of the association's executive committee. Each year three members are elected to the executive committee to serve two-year terms. The new members of the committee are Luther Gulick, Institute of Public Administration; Harold Henderson, Minnesota Institute of Government Research; and Loren Miller, Municipal Research Bureau of the Chamber of Commerce of Newark. The three hold-over members of the committee are M. W. DeWees, Clifford W. Ham, and H. C. Loeffler. Mr. Loeffler has been elected chairman of the executive committee for the ensuing year, succeeding Howard G. Fishack, whose term on the executive committee had expired.

ROBERT M. PAIGE, *Secretary-Treasurer*

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**Hawaii Bureau of Governmental Research.**— Some of the activities during the past year of this established agency may be summarized as follows:

*Public welfare studies.* The governor's advisory committee on public welfare, appointed in July 1936, requested the bureau to make certain investigations and studies to guide it in arriving at conclusions and recommendations.

Pursuant to this request, the bureau made numerous studies of public and private welfare agencies and activities, prepared drafts of proposed legislation for the organization and administration of a territorial board of public welfare, and helped the committee prepare its final report.

The bureau interpreted the findings and recommendations of the governor's committee to citizen groups throughout the territory.

To assist in the drafting of an unemployment insurance law for the territory, the bureau digested the unemployment insurance laws of fifteen states and the District of Columbia. It also prepared a report on local employment and economic conditions pertinent to a consideration of unemployment insurance legislation and made a comprehensive analysis of unemployment relief rolls.

*Government handbook.* In 1928 the bureau published a *Handbook of the Territory of Hawaii,* designed to describe the functions of each department, institution, and board of the government. In January of this year (1937) the bureau published a completely revised handbook under the title *Our Territorial Government.* Hundreds of copies were ordered for use in the schools and university of the territory, and the book was given a wide free distribution. A daily newspaper published it in serial form in its entirety.

*Building code.* At the request of the Hilo Chamber of Commerce and the Hawaii County board of supervisors, the bureau prepared a revision of the county's building code. This code had been drafted by the bureau in 1933. The revision prepared by the bureau was adopted in April 1937.

*County government.* The bureau studied the operating revenues and expenditures of each of the five counties of the territory and discussed county fiscal problems with the county boards of supervisors.

*Present program.* The bureau is now assisting in the organization of plans of administration for the territorial public welfare board and the territorial unemployment compensation board.

The governor intends to appoint a special committee to study public personnel administration and has indicated his desire to have the bureau coöperate in this undertaking. Comprehensive civil service legislation will probably be enacted in the near future.

A thoroughgoing study of the Kauai County government is contemplated.

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**Bureau of Governmental Research of the University of Washington.**—The Bureau of Governmental Research was established in 1934 within the department of political science of the University of Washington as a fact-finding and recommendatory agency, with its services available to all public officials. The origin of the bureau is traced to the recognition on the part of the University of Washington of its responsibility to the public service of the state and to the counties, cities, towns, and special governmental jurisdictions within it. Since its organization, the demand for bureau services has been wide and continuously increasing.

The Bureau of Governmental Research is distinctly a service agency intended to assist public officials in the improvement of governmental administration. Its chief purpose is to act as a clearing house for facts which can be utilized to improve administrative techniques in government and to promote the scientific study and development of better methods and practices. In keeping with this purpose, it engages in a variety of activities in a number of different fields. It offers a consulting service available to all public officials on request. It makes special studies and reports on problems common to groups of officers, issues information bulletins, conducts an annual institute of government, promotes in-service training programs, assists in the organization of various regional and state conferences, and fosters cooperation between the various governmental units.

Located at the University of Washington, the bureau is in a strategic position to utilize the facilities of a number of university departments doing research in related fields. There is opportunity to consult the college of economics and business, the graduate school of social work, the law school, the college of engineering, and the university libraries, each with its experts and technicians. In addition, the bureau maintains relationships with national organizations whose aid is available for special problems. It is the aim of the Bureau of Governmental Research to bring to focus on governmental problems in the state of Washington the best of experience, training, and advice.

Dr. Charles E. Martin is the chairman of the department of political science and Dr. Edmund F. Spellacy is the director of the Bureau of Governmental Research; Chester Biesen serves as executive secretary of the bureau and Jesse Epstein as research assistant.

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**Des Moines Bureau of Municipal Research.**—Our activities during the first six months of our fiscal year, beginning April 1st, were as follows:

*The new assessment.* Through our disclosure of the inequitable system of district discounts made by the city assessor, the city council, acting as a board of review, made a reduction of nearly $8,000,000 in the original assessments.

*The 1938 tax budget.* In the last two months the bureau has been serving the Citizen's Tax Budget Committee, headed by the Des Moines Real Estate Board with representatives from other organizations, which has been studying the 1938 budgets of the various local taxing bodies. The bureau has furnished virtually all the statistical information for this citizen's group, which has held numerous meetings on the subject. With the information thus obtained, the citizen's group entered protests against the tax budgets of the city, school district, county hospital, and county, with the view of carrying an appeal to the state appeal board, which might reduce them.

*Appointment of new fire chief.* The bureau helped in the preparation of a competitive civil service examination which resulted in the selection of a new fire chief who passed highest in the list of contenders. By publicly protesting the appointment of a temporary fire chief because of lack of qualifications, the bureau helped arouse public opinion to demand that a fair examination be given. The city civil service commission is to be commended on the way it resisted politics in carrying out this examination.

*Walnut Township assessments.* The bureau protested to the Polk County board of supervisors regarding the low assessment of Walnut Township residences which are inside the Des Moines school district but outside the city limits and which received absurdly low assessments from the township assessor. This results in Walnut Township properties paying about one-third the school tax that properties of equal value inside the city limits will pay. The bureau will carry this protest to the state board of assessment and review.

*City manager movement.* This movement has received a great impetus from the assessment muddle and more recently from the tax budget boosts by the present city council. The bureau is supporting the Commonwealth Club in its efforts to obtain a sufficient number of signatures for a petition for a special election to vote on the plan. The chance for such a vote this fall seems good with the possibility that before another year Des Moines may have the manager plan in full operation with resulting economies and better public services for taxpayers.

C. A. Crosser, *Secretary*

*

**Governmental Research Institute (St. Louis).**—Financial problems comprised the major part of the institute's work program during recent months.

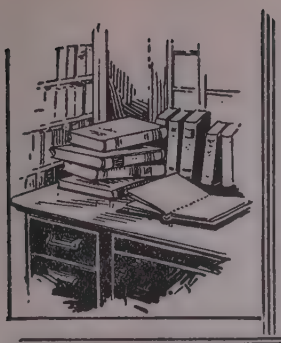
The longest legislative session in the state's history ended after adopting new tax measures and a budget which far exceeds any previous biennial program. Studies of budget requirements and tax yields were made by the institute for members of the legislature and other state officials during the session. An analysis of appropriations and anticipated revenues is now being made for early publication.

The state legislature at the last session again abated or reduced penalties on delinquent property taxes if paid before next January 1st. All penalties were abated up to July 1st, and as the result of special efforts by the collector more than $3,000,000 of delinquent taxes were paid in June. The institute is now making a study of that group of tax payments for the purpose of ascertaining the relative size of the tax bills, and the number of years of delinquency, and the type of property on which the taxes were paid.

A comprehensive study of all sources of city revenues is also under way. That study will include a compilation of laws or ordinances authorizing every item of receipts and an analysis of collection administration and of the trends of the collections.

Reports have recently been issued on bonded indebtedness of the city government and on police statistics in cities having over 300,000 population.

Carter W. Atkins, *Director*



# RECENT BOOKS REVIEWED

EDITED BY ELSIE S. PARKER

**Government in Action.** By Robert E. Keohane, Mary Pieters Keohane, and Joseph D. McGoldrick, New York-Chicago, Harcourt, Brace and Company, 1937. 845 pp. $1.84.

Although intended primarily as a textbook for young students, *Government in Action* is too significant and makes too good reading for more mature students to overlook. The authors have attempted to let fresh air into the material available to teachers of civics and government. Missing are the card catalogue methods of drumming into young people a series of dry-as-dust, unrelated facts, soon-to-be-forgotten and quicker-to-change, and present is a warm living picture of government as it affects all of us.

The success of this representation is due in some measure to the organization of the book according to the functions rather than according to the forms of government. The book is divided into the following eight basic units: (1) the nature and purpose of government, (2) four cornerstones of American government, (3) securing the consent of the governed, (4) how governmental policies are made and carried out, (5) how our governments promote the general welfare, (6) the United States in the family of nations, (7) financing our governments, and (8) the citizen's relation to his government.

Many of the subdivisions also answer the question "how?" Refreshingly realistic is the treatment on how governmental functions multiply, how political parties work, reforming the administration of justice, on war and peace and the challenge to democracy.

The book is profusely and excellently illustrated with modern pictorial material, consisting of illustrations, charts, graphs, and diagrams. At the end of each chapter are to be found practical recommendations for student projects and activities.

While government is the core of the text, the approach and the discussion have a definite social and economic slant. In other words, this is a study of government not isolated from but integrated with economic and social problems. Not only should the book achieve its avowed purpose of helping high school students really to understand the principles and problems of good government, but the vital and up-to-the-minute material, national in its scope, should be a great stimulus to the more progressive methods of teaching civics that are now spreading throughout the country's secondary schools and junior colleges. The book promises to be one of wide use and great influence.

SOPHIA A. OLMSTED

**Training for Public Service in Virginia.** By Rowland Andrews Egger, Harold I. Baumes, and Raymond Uhl. University, Virginia, Division of Publications of the Bureau of Public Administration (Report Series B, No. 2), 1937. 88 pp. mimeo.

This report makes no pretensions at being a definitive or final statement on the problem of the recruitment and training of governmental personnel. It is concerned simply and briefly with the present status of that problem in Virginia.

As such, however, the study has an importance which transcends the boundaries of the state of Virginia. It is not only the work of competent authorities in a state noted for leadership in governmental reforms, but it gains additional significance as a pioneer effort at a careful, statistical approach to the personnel problem as it actually exists within

a commonwealth, its large cities, towns, and county governments. It analyzes such matters as how many people hold what kind of jobs in each of these units of government, how many new appointments are made each year, what the average number of new promotions are, what the present modal compensation is, and the formal education of encumbents. The report examines and describes Virginia's noteworthy attempts to prepare persons, by either in-service or pre-entry training, for government work. It points out what the limitations of the present program appear to be and suggests what might be done to improve the existing situation. The authors conclude with an inquiry into the possible effects upon in-service training of federal aid to vocational education under the recent George-Dean act.

This over-all picture of the personnel situation in Virginia enables the prospective entrant of the public service there to determine in a broad way what actually he can expect in terms of pay, opportunities for advancement, possibilities of initial appointment; what kind of persons will be his associates and what facilities exist for self-improvement. It also provides the basis for the development of a realistic personnel program. It brings into sharp relief the limitations of the existing program and stands out as a broad hint to personnel leaders in other states to "go thou and do likewise."

JOHN BLANCHARD

■

**The Telford Classification.** By Fred Telford. Washington, D. C., 1937. 185 pp. mimeo. $10. (Apply to author, 4728 Fourteenth Street, N. W., Washington, D. C.)

Five thousand years or more ago Koheleth, better known as Ecclesiastes, penned a sentence to which shrewd observers have consented ever since—with a wry smile: "And I beheld the race was not to the swift, nor the battle to the strong, nor the prize to men of understanding, but time and chance happeneth to every man." How true that last phrase is in "landing a job" thousands can testify. But man seeks to reduce chance to a minimum wherever its operation does more harm than good, hence the merit system as the basis of employment. And the logical outcome of the merit system is classification, that is, a concise description of the tasks, duties, etc., that a person denominated, let us say, as a junior bookkeeper is expected to perform.

Fred Telford offers a manual to those organizations motivated by both efficiency and fairness which would install an occupational classification system for their own use. The area of public and private employment to which classification can be applied should lead to a wide use of this "tool" which Mr. Telford has fashioned with such meticulous care. This concern with what to him seems vital but to others of small importance is so marked throughout the manual, particularly in its later chapters, as to raise the fear that he may defeat his own purpose. Straining after precision produces on page 17 a sentence of seventy-nine words.

In spite of the gentle strictures offered above, it must be said that this manual is a most worthwhile invention, for that is the most appropriate word to apply to it. The broad outlines of it must necessarily be followed by any successors. Therefore, it is recommended to anyone interested in what is to this reviewer one of the most important aims we can have—to obtain the most efficient use of all the capacities of each individual and as fair a reward for their use as our present ethical concepts permit.

WALTER J. MILLARD

■

**The Selection of a City Manager**—Suggested Procedure to Aid City Councils in Appointing a Manager. Chicago, International City Managers Association, 1937. 16 pp. Fifty cents.

With 457 city manager cities already in existence and interest growing apace in this form of government, the International City Managers Association has come forward with a timely and important booklet on the selection of the city manager.

This report is designed to assist city councils in finding, from the avalanche of applications which follow any announcement that a city manager is to be employed, the ablest man for the job. Its purpose is to suggest a simple, careful, and effective appointment procedure in order to insure city governments against the cost and embarrassment of ill-considered and hasty appointments by the council of so important a municipal officer. It seeks to outline a procedure whereby men of real qualifications

will not only be encouraged to apply for city manager vacancies, but their abilities will be quickly discerned.

J. B.

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**Guide to the Municipal Government—City of New York 1938.** By Rebecca B. Rankin. Brooklyn, New York, Eagle Library, Inc., 1937. 106 pp. $1.25.

Miss Rankin, who is librarian of the Municipal Reference Library of New York, gives us here a summary of the machinery of New York City's government as it will operate under its new charter beginning January of next year. The government of a great city is necessarily a complicated affair, and New York is no exception. The author has succeeded, however, within the narrow confines of a hundred pages, in giving a bird's-eye view of her city's administrative setup. Each chapter deals with one of the main divisions of the city government—the executive, the legislative, finance, taxation, health and welfare, etc.—with subdivisions on the city's many departments and institutions. A chapter on the government of the five counties within the city is also included. The book should prove helpful both to the student of government and to the interested citizen.

*

**Analysis and Comparison of Annual Yields of Those Revenues Administered by the Department of Finance and Taxation of the State of Tennessee.** By Tennessee Taxpayers Association (Report No. 31). Nashville, 1937. 57 pp. mimeo.

"Manifestly the taxpayer must view with increasing concern the large and sudden increase of eight and a quarter million dollars a year recently made in the tax burden. But he does find a measure of reassurance in knowing that his tax laws have come to be enforced with new tokens of impartiality, intelligence, and effectiveness."

Opening with the paragraph above the Tennessee Taxpayers Association presents a report analyzing and comparing the annual yield of those revenues administered by the department of finance and taxation of the state of Tennessee for each of the last two fiscal years ending June 30, 1936, and June 30, 1937, respectively. The report includes analyses of twelve of the seventeen revenues by counties.

The revenues administered by the department of finance and taxation reached a total of $33,407,000 for the fiscal year closing on June 30, 1937, as compared with collections of $28,640,000 for the preceding year—an increase of 16.64 per cent. Some revenues show an increase of 82½ per cent for the year, one shows but 2.46 per cent.

The report indicates that four factors have contributed directly to this gain: national recovery, a completely reorganized department of finance and taxation, a practical elimination of the large volume of evasion of state gasoline and tobacco taxes, and the installation as of July 1, 1936, of a modern departmental accounting system.

*

**The New Charter of the City of New York.** Edited by Laurence Arnold Tanzer. New York City, Clark Boardman Company, Ltd., 1937. 682 pp. $7.50.

This is a preliminary announcement of a volume edited by the associate counsel of the New York City Charter Revision Commission and available for distribution about October 1st. The book will contain the full text of the new charter of New York City with source notes referring to sections of the old charter, a history and analysis of the charter, the report of the charter revision commission in full, the text of the act creating the revision commission, text of all court opinions relating to the charter, and many other important features including an analytical index covering not only the charter but the summary and analysis and the report of the charter commission.

*

**Tax Limits Appraised.** By A. Miller Hillhouse and Ronald B. Welch. Chicago, Public Administration Service, 1937. 40 pp. Fifty cents.

Tax limitation is herein summarized to date. The study includes the experience of those states which have it, arguments for and against it and suggested methods for determining the probable effect of over-all limitation on a given unit of local government. Special consideration is given to the proposal of the National Association of Real Estate Boards, that of a rigid constitutional limit of 1 per cent, including debt service. The authors have concluded that while an over-all tax rate such as this reduces real estate taxes immediately, when the whole result is considered it is to the

disadvantage of the majority of citizens including property owners.

*

**State Governmental and Administrative Reorganization in Oregon.** By the Interim Commission on Governmental and Administrative Reorganization and the Governmental Research Committee of the Oregon State Planning Board, 1937. 60 pp. mimeo. Apply to the Oregon State Planning Board, Portland, Oregon.

This study considers the reorganization of those state agencies dealing with financial control, business regulation, social welfare, and conservation of natural resources with a view to greater coördination and simplification. Among the recommendations are those for setting up a state department of finance, a state department of social welfare and a division of water resources to be established in the office of the state engineer.

*

**Social Work Yearbook 1937** (fourth edition). Edited by Russell H. Kurtz. New York, Russell Sage Foundation, 1937. 709 pp. $4.00.

This volume—the fourth of a series beginning in 1930—is a description of organized activities in social work and related fields. Part I is devoted to an authoritative record of social work activities; part II is a directory of a thousand national and state agencies in social work and related fields. The volume covers a wide range of subjects of interest to public administrators, students in the social sciences, librarians, and interested lay persons, as well as to social workers. This year many new subjects have been introduced, including such topics as civil service, civiiian conservation corps, financing public social work, old age insurance, organized unemployed, resettlement, the social security act, work relief, etc. References to related literature are appended to the topical articles, constituting an up-to-date and extensive social work bibliography.

*

**Yearbook 1936-37 of the International Association of Chiefs of Police.** Chicago, 1937. 244 pp. $1.50.

This book contains the proceedings of the forty-third annual convention of the association held in 1936. The addresses and committee reports cover such important subjects as police organization and administration, personnel and training, communications, records and criminal identification, crime prevention, etc.

*

**Comparative Police Data,** St. Louis and Other Cities Over 300,000 Population. By Governmental Research Institute. St. Louis, 1937. 26 pp. mimeo.

A comparison of the costs, activities, number of employees, salaries, number of crimes reported, arrests, etc., of the larger cities of the country.

*

**Accident Prevention Bureaus in Municipal Police Departments.** By Curtis Billings. Evanston, Illinois, International Association of Chiefs of Police and Northwestern University Traffic Safety Institute, 1937. 48 pp.

A description of the functions, organization, and personnel of an effective accident prevention bureau.

*

**Proceedings of the Twenty-second National Recreation Congress.** New York, National Recreation Association, 1937. 151 pp. $1.00.

Containing summaries of all the discussion meetings and of the principal addresses delivered at the recent recreation congress, this record should prove of great value to those interested in "making life in America a richer experience through recreation."

*

**Ambulance Regulation.** By United States Conference of Mayors (Report No. 139) in coöperation with the Institute of Municipal Law Officials. Washington, D. C., 1937. 21 pp. mimeo. Fifty cents.

This report is based on a survey of eighty-five cities of over 50,000 population. The appendices contain ordinances of a number of cities on the regulation of ambulances, as well as those sections of the model traffic ordinance of the National Conference on Street and Highway Safety dealing with the regulation of authorized emergency vehicles.

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# THE LEAGUE'S BUSINESS

**Nominating Committee Report.**—The League's committee for nomination of 1938 officials, composed of Leonard D. White of the University of Chicago, *chairman;* L. Arnold Frye of Hawkins, Delafield, and Longfellow; Robert M. Goodrich, director of the Providence Governmental Research Bureau; Alonzo G. Grace of the University of Rochester and Carl H. Pforzheimer, treasurer of the League, has submitted its report as follows:

For *president,* Clarence A. Dykstra, president of the University of Wisconsin, formerly city manager of Cincinnati; for *vice-president,* Miss Marguerite M. Wells, president of the National League of Women Voters; *treasurer,* Carl H. Pforzheimer; *honorary secretary,* Clinton Rogers Woodruff; *honorary vice-presidents*: Charles A. Beard, Henry Bentley, H. L. Brittain, Henry Bruere, Charles C. Burlingham, Harry Woodburn Chase, Frederic A. Delano, John N. Edy, Samuel S. Fels, Mayo Fesler, Russell Forbes, A. R. Hatton, John R. Haynes, Frank O. Lowden, C. E. Merriam, W. B. Munro, Frank L. Polk, Lawson Purdy, Chester H. Rowell, Murray Seasongood, Miss Belle Sherwin, Mrs. F. Louis Slade, Lent D. Upson, A. Leo Weil, and Charles F. Weiler; members of the *council* (three-year term): Frederick L. Bird, Henry Chandler, Richard S. Childs, Frederick Davenport, Marion Folsom, L. Arnold Frye, Robert M. Goodrich, John S. Linen, Clarence E. Ridley, and Charles P. Taft.

The report will be acted upon at the League's annual meeting to be held November 17th in connection with the conference on government at Rochester, New York.

HOWARD P. JONES, *Secretary*

* * *

## LETTERS TO THE EDITOR

To the Editor of the NATIONAL MUNICIPAL REVIEW:

May I write you a line in appreciation of the REVIEW. I found the October number full of interest and have sent a copy of Mr. Frederick L. Bird's article on "Current Trends in Municipal Finance" to the chairman of our special recess commission which is studying financial matters.

LAURENCE CURTIS, *State Senator*

Boston, Massachusetts

* * *

To the Editor of the NATIONAL MUNICIPAL REVIEW:

I read the NATIONAL MUNICIPAL REVIEW and I think you have the wrong idea as to many things, for instance, proportional representation.

Any man who reads history knows that a mob cannot run a government. France tried it in 1783 and in 1831, in 1851 and 1871, and only two years ago with the People's Front Government. In every case where a mob has tried to run the government there has resulted a dictator, just as there will in the United States. The idea that education has changed people and that we have a better people than lived a thousand years ago is only partly true. The same people who saw wild beasts destroy the Christians, or who started the Sicilian Vespers or the Massacre of Saint Bartholomew and who burned Papists and witches in Scotland and England, are the same people who take part in sit-down strikes and beat up elevator operators and kill non-union workers today. I saw yesterday that the educated child is more apt to commit crime than the uneducated child.

We must have an absolute system of checks and balances against mob government. I go to Europe every spring and I see what mob government has done in the great countries of Central Europe and in France and Spain. There cannot be a democracy—there must be a constitutional republic.

EDWARD P. DOYLE

New York City

Dear Mr. Doyle:

Your letter contributes an often-expressed view in the controversy about which people have been talking, fighting, dying for these many centuries.

Of course, democracy does not always succeed, any more than do dictators. Your apparent inclination to liken proportional representation to mob rule, however, is a bit puzzling. Has P. R. given mob rule to Cincinnati, or has it freed that city from mob rule? Has P. R. given Toledo mob rule? If P. R. frees New York City's legislative body from the kind of domination it has had for years will that be a step away from or toward mob rule?—EDITOR.